

ORIGINAL



**Picacho Sewer Company**  
**9532 E. Riggs Road**  
**Sun Lakes, AZ 85248**

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2006 JUL 14 P 2:27

June 14, 2006

Arizona Corporation Commission  
**DOCKETED**

AZ CORP COMMISSION  
DOCUMENT CONTROL

JUL 14 2006

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

DOCKETED BY	<i>NR</i>
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Re; Picacho Sewer Company (PSC) – Application for Extension of Certificate of Convenience and Necessity (CC&N) Docket NO. SW-03709A-06-0314  
Insufficiency letter

Please note that attached to this response is an amended Exhibit B and Exhibit C where the NW¼ of Section 28 is deleted from the requested extension area. The NW¼ of Section 28 is part of EJ Ranch development which has been put on hold. The area described in the amended Exhibit B and Exhibit C is the area which PSC proposes to extend its CC&N.

The following is PSC's response to the June 1, 2006 Insufficiency letter from the Commission:

1. Failure to comply with prior Commission Decisions –

Regarding Decision No. 65133 in Docket No. SW-03709A-01-0165, PSC has not executed any documents related to any financing matters authorized in Decision No. 65133, and regarding Decision No. 67670 in Docket No. SW-03709A-04-0642, there are no customers yet in the proposed service area. PSC is not out of compliance with either Commission decision.

2. Failure to file the Company's 2005 Annual Report –

The company filed its 2005 annual report on April 14, 2006. In a letter dated May 24, 2006 the Commission indicated that the report had not been received. The 2005 annual report was re-sent to Renee de la Fuente by facsimile on June 1, 2006, and new signature pages were sent by facsimile on June 6, 2006.

3. The Company did not commence operations in 2005. Operations commenced on February 17, 2006.

4. If the application to extend the CC&N is approved PSC will file an application with the Commission seeking authority for either debt financing, equity financing, or a combination of debt and equity financing to fund the cost of constructing the wastewater facilities to serve the extension areas.
5. Enclosed is PSC's CAAG Section 208 plan update amendment authorizing 5.4mgd treatment plant capacity to serve the Robson Ranch and EJL Ranch developments. The proposed extension area is part of the Robson Ranch Development, and the 5.4MGD approved 208 capacity is sufficient to serve the proposed extension area.
6. Enclosed is a copy of PSC's Aquifer Protection Permit issued by ADEQ which has sufficient capacity to serve the proposed extension area.
7. The application for a sewer franchise from Pinal County was submitted on April 3, 2006. The application is currently pending approval from the Board of Supervisors.
8. ADEQ does not issue approvals to construct wastewater facilities therefore no such application has been made.
9. There are no artificial lakes, golf courses, ornamental structures or other aesthetic water features planned for the extension areas. Open spaces in the proposed extension area will be watered with groundwater in accordance with state law.
10. PSC will commence delivering effluent to the golf course in the existing CC&N area as soon as it is available, which is expected to be in fall of 2006 when the development reaches 100 homes. Effluent piping for this effluent delivery is already in place. All excess effluent beyond what is reused will be recharged via PSC's recharge facilities pursuant to its aquifer protection permit and its constructed underground storage facility permit.

An original and 13 copies submitted.

Sincerely,

  
Jim Poulos

AMENDED EXHIBIT B

Legal Description

Robson Ranch Arizona  
Units 27 & 28  
Addition to Picacho Sewer Company CC&N

March 22, 2006

A parcel of land located within the Northeast Quarter of Section 20, and within the West Half and the Southeast Quarter of Section 21, Township 7 South, Range 7 East, of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the Northwest Corner of said Section 21, a 5/8" rebar;

THENCE South 89°55'22" East 2,648.14 feet along the North line of the Northwest Quarter of said section, to the North Quarter Corner of said section, a GLO brass cap;

THENCE South 00°21'58" West 2,646.48 feet, along the North-South mid-section line of said Section 21, to the East-West mid-section line of said section;

THENCE South 89°46'12" East 332.91 feet along said East-West mid-section line;

THENCE South 00°23'21" West 809.82 feet to the Northeasterly line of Jimmie Kerr Boulevard (Highway 84);

THENCE North 53°50'54" West 85.98 feet along said Northeasterly line, to the beginning of a non-tangent curve, concave Southwesterly, having a radius of 11,509.16 feet, the center of which bears South 33°00'19" West;

THENCE Northwesterly 372.64 feet continuing along said Northeasterly line of Jimmie Kerr Boulevard, and along the arc of said curve, through a central angle of 01°51'18";

THENCE continuing along said Northeasterly line, North 58°50'59" West 274.00 feet, to the beginning of a tangent curve, concave Northeasterly, having a radius of 11,409.16 feet;

THENCE Northwesterly 777.56 feet continuing along said Northeasterly line of Jimmie Kerr Boulevard, and along the arc of said curve, through a central angle of 03°54'17", to the said East-West mid-section line of Section 21;

Legal Description

Robson Ranch Arizona  
Units 27 & 28  
Addition to Picacho Sewer Company CC&N (cont'd)

March 22, 2006

THENCE South 89°46'12" East 20.30 feet along said mid-section line;

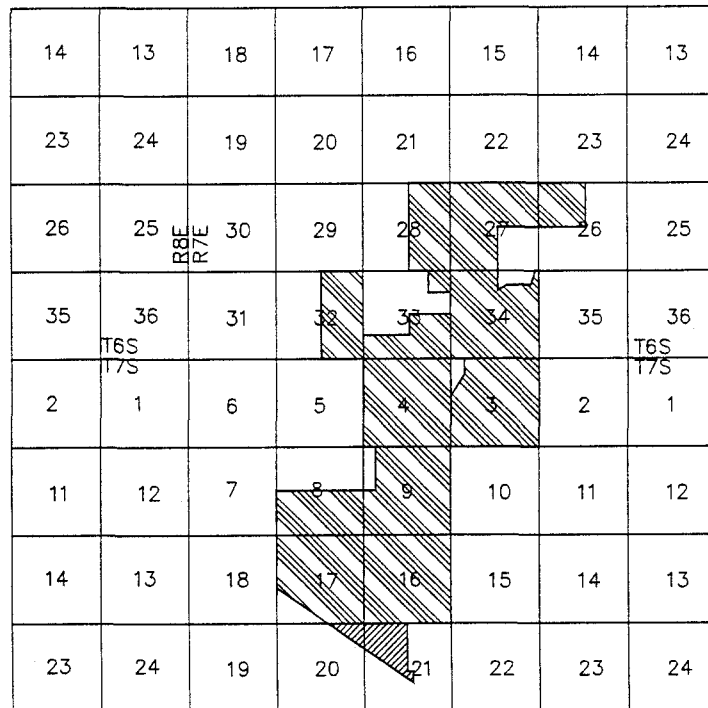
THENCE continuing along said Northeasterly line of Jimmie Kerr Boulevard, North 53°50'54" West 4,467.63 feet, to the North line of said Northeast Quarter of Section 20;



THENCE North 89°40'35" East 1,899.41 feet along said North line, to the TRUE POINT OF BEGINNING.

The above described parcel contains 7,766,054 square feet, or 178.2841 acres, more or less.

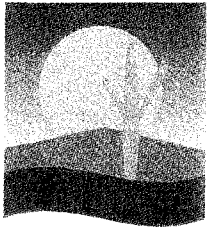


# AMENDED EXHIBIT C



-  PICACHO SEWER CO CC&N EXPANSION AREA
-  PICACHO SEWER CO CC&N EXISTING AREA

PICACHO SEWER CO  
APRIL, 2006  
JULY, 2006 REVISION



CENTRAL  
ARIZONA  
ASSOCIATION OF  
GOVERNMENTS

*Serving Gila & Pinal Counties since 1970!*

HISTORIC BELMONT BUILDING

271 MAIN STREET

SUPERIOR, AZ 85273

July 12, 2005

Mr. Jim Poulos  
Picacho Sewer Company  
9532 E. Riggs Road  
Sunlakes, AZ 85248

**RE: CAAG 208 Plan Update Amendment for the Picacho Water Reclamation Plant**

Dear Jim:

As you are aware, the CAAG Regional Council **approved** the CAAG 208 Plan Update Amendment for the Picacho Water Reclamation Plant, Picacho Sewer Company at the June 17, 2005 Special Regional Council Meeting. For your records, I have attached a copy of the Draft Special Regional Council Meeting minutes for this approval.

If you should have any questions, I can be reached at 1-800-782-1445 ext. 17.

Sincerely,

*Robert B. Wilson*

Robert B. Wilson  
Environmental Planning Director

## **DRAFT**

### **SPECIAL REGIONAL COUNCIL MEETING**

**FRIDAY JUNE 17, 2005**

**PAYSON TOWN HALL**

**PAYSON, ARIZONA**

## **M I N U T E S**

### **I. CALL TO ORDER**

Chair Jackson called the meeting to order at 2:05 p.m.

### **PLEDGE OF ALLEGIANCE**

Chair Jackson led the Regional Council, guests and CAAG staff in the Pledge of Allegiance.

### **ROLL CALL AND INTRODUCTIONS**

**Members Present:** Mayor Byron Jackson, Councilmember Robert Henley, Mayor Douglas Coleman, Councilmember Anita Hinojos, Councilmember Ronnie Cooper, Councilmember Paul Prechel, Supervisor Lionel Ruiz, Supervisor Tommie Martin, Mayor Craig Williams, Mayor Stanley Gibson, Mayor Paul Licano, Mayor Michael Hing, Councilmember Gail Barney, Mayor Charles Walton, Mayor Tom Rankin, Mayor Kelly Anderson, Mary Anne Moreno, Lori Gary

**Members Absent:** Mayor Debra Sommers, Scott Flake

**Management Committee Present:** Robert Mawson, Gary Eide, Bob Flatley, Himanshu Patel, Bryant Powell, Amy Malloy, Shannon Ortiz, Jim Thompson, Roy Chavez, Robert Flatley, Jim McFellin

**Guests:** Jim Poulos, A.J. Blaha, Stephen Miller, Harold Kitching, Linda Taunt, Cathy Connolly, Mark Young, Ken Buchanan, Chris Vasquez, Teresa Martinez, Gilbert Lopez, Wilbur Wuertz

**Staff:** Maxine Leather, Garye Vasquez, Craig Ringer, Yvonne Kube, Robert Wilson, Cathy Melvin, Bill Leister, Joan Phillips, Oscar Montano, Heather Patel, Jeani Flores, Lisa Almejo, Joanna Ramos, Debra Harris, Tanya Marez, Laura Winsor, Lee French, Gail Forez, Renee Lopez, Andrea Robles

### **II. EXECUTIVE SESSION**

Mayor Gibson made a motion to conduct an Executive Session for discussion or consultation for legal advice with legal counsel concerning the proposed 208 Areawide Water Quality Management Plan Update

## **REGIONAL COUNCIL MEETING**

**FRIDAY, JUNE 17, 2005**

**PAGE 2**

Amendment for the Picacho Water Reclamation Plant (WRP) pursuant to provisions of A.R.S. Section 38-431.03 (A)(3). Councilmember Barney seconded the motion. The motion passed unanimously. The meeting adjourned to Executive Session at 2:06 p.m.

### **III. RECONVENE**

The meeting reconvened at 3:30 p.m.

### **IV. REVIEW AND CONSIDERATION OF 208 AREAWIDE WATER QUALITY MANAGEMENT PLAN UPDATE AMENDMENT FOR THE PICACHO WATER RECLAMATION PLANT (WRP)**

Mr. Wilson gave a brief update on the 208 Plan Amendment for the Picacho WRP. He stated the CAAG Regional Council voted to table the item until the next Regional Council Meeting scheduled for June 17, 2005. Questions and discussion followed Mr. Wilson's update. Mr. Polous, representing Picacho WRP, provided a presentation for the Regional Council. He provided a handout and reviewed the handout with the Council. Questions and discussion followed Mr. Polous' presentation. Mr. Thompson and Mr. Blaha gave a presentation on behalf of the City of Casa Grande. They provided a handout for the Council and reviewed it with the Regional Council. Questions and discussion followed their presentation. Mayor Gibson made a motion to approve the 208 Areawide Water Quality Management Plan Update Amendment for the Picacho Water Reclamation Plant (WRP). Councilmember Henley seconded the motion. Mayor Walton stated he had not made his comments. Mayor Gibson explained he had made a motion so there could be discussion. Mayor Walton requested members listen with an open mind and offered his comments. Mayor Walton pointed out the Public Hearing Notice published in the newspaper gave an incorrect location. Upon review, Mr. Wilson explained the notice had a typographical error stating "West of I-10" rather than "Northwest of I-10." CAAG Attorney Mr. Vasquez explained this deficiency could be considered minor "West instead of Northwest" and the notice still listed the project as being West of Toltec Road. The applicant is inconsistent with the description of the geographic boundaries; however, the legal description is correct. He continued the Regional Council could consider this a minor typo or more significant requiring the applicant be sent back to another Public Hearing but it would not negate the application.

A vote was taken by a show of hands. The motion passed 10 to 6.

Mayor Walton brought to the Council's attention that according to CAAG By-laws, members are appointed through Resolution of their Council, and he believed the members voting had not been appointed in this manner and therefore, were ineligible to vote. Ms. Leather said she would provide a legal opinion through CAAG's Attorney and will send it out to each member. She requested a roll call vote incase there proved to be a problem.

Ms. Robles took the roll call vote. Mayor Coleman, Apache Junction, no; Mayor Walton, Casa Grande, no; Council Member Prechel, Coolidge, no; Mayor Jackson, Eloy, yes; Mayor Rankin, Florence, no; Supervisor Martin, Gila County, yes; Mayor Gibson, Globe, yes; Council Member Cooper, Hayden, yes; Mayor Williams, Mammoth, yes; Mayor Anderson, Maricopa, no; Mayor Licano, Miami, yes; Council Member Henley, Payson, yes; Supervisor Ruiz, Pinal County, yes; Council Member Barney, Queen Creek, yes; Mayor Hing, Superior, no; Council Member Hinojos, Winkelman, yes. The vote remained 10 to 6 in favor of the motion.



**REGIONAL COUNCIL MEETING**  
**FRIDAY, JUNE 17, 2005**  
**PAGE 3**

**V. ADJOURNMENT**

Chair Jackson adjourned the meeting at 5:10 p.m.

Approved on \_\_\_\_\_

# Central Arizona Association of Governments

## 208 Amendment

for

## Picacho Water Reclamation Plant Picacho Sewer Company 2004



December 3, 2004  
Revised February 28, 2005

Submitted by:  
LJ Farrington Engineers, Inc.  
1025 North Tucana Lane  
Gilbert, Arizona 85234  
480.218.5559

CAAG 208 AMENDMENT  
Picacho Sewer Company  
Picacho Water Reclamation Plant  
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Attachment B	CC&N Application
Attachment C	Support Letters
Attachment D	Metes & Bounds Legal Description
Attachment E	ADEQ Correspondence
Attachment F	Financials

**Picacho Sewer Company  
Picacho Water Reclamation Plant  
CAAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENT  
For Revised and Expanded Service Area**

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## **OVERVIEW**

This amendment to the CAAG (Central Arizona Association of Governments) 208 plan addresses the expansion of service area and resulting increase in buildout capacity of the Picacho Water Reclamation Plant (WRP) for the Robson Ranch-Casa Grande Development (previously known as the Sun Lakes-Casa Grande Development) currently in the planning stages. The development is located in Pinal County, west of the I-10 and bordered on the west by Toltec Buttes Road. The developer, Sun Lakes-Casa Grande, LLC, has acquired more land to the north of the existing Robson Ranch development, and intends to sell off parcels to homebuilders for development. Picacho Sewer Company will service this new area, and as such, will expand its collection system and ultimately the size of the water reclamation plant to accomplish this.

The overall service area has increased from 3720 acres, with an addition of 2200 acres, to 5920 acres. The planned community will have golf courses, open space and parks, schools, and some commercial areas.

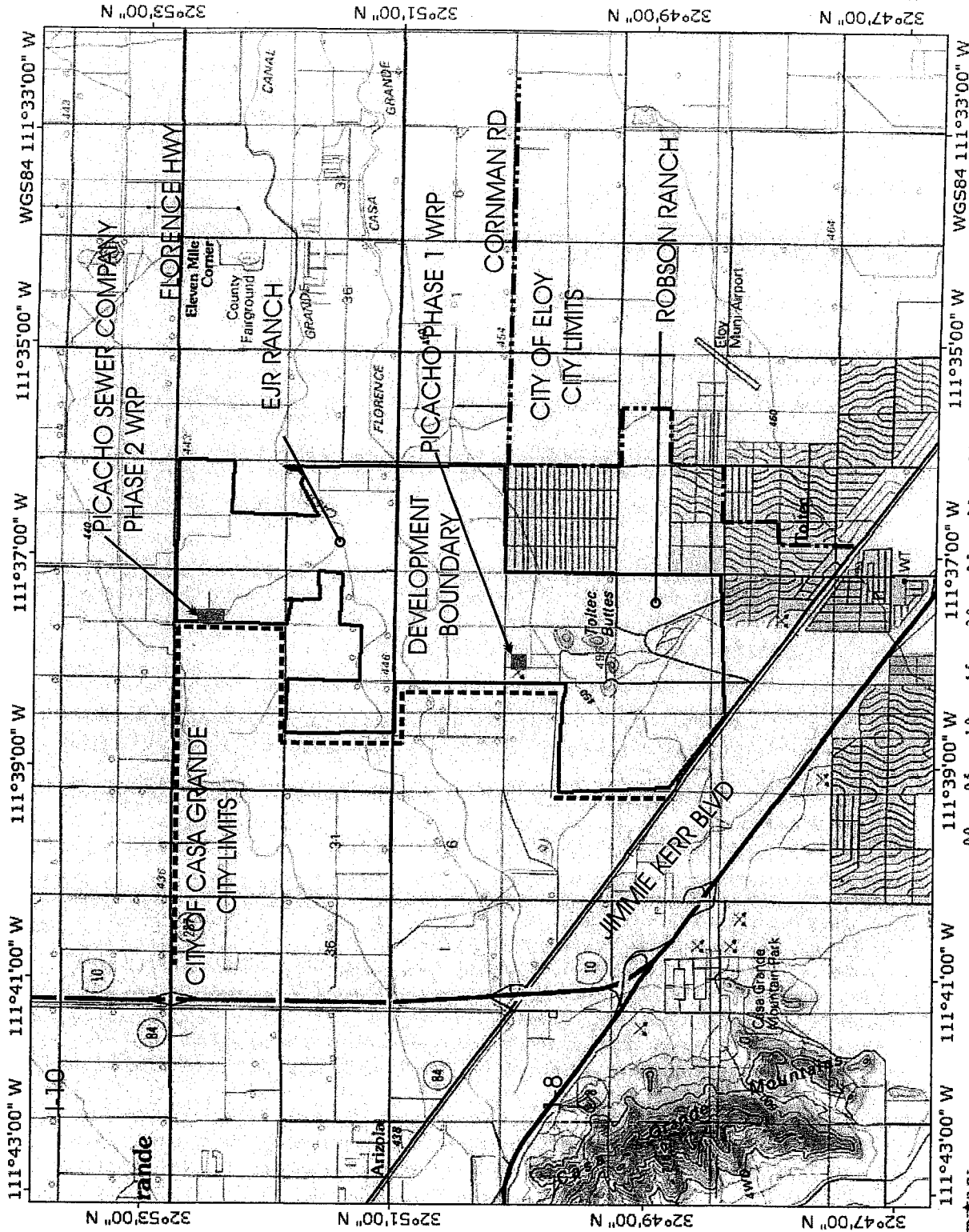
The location of the service area is shown on **Figure 1**. There is no Designated Management Agency (DMA); however, the Picacho Sewer Company will certify that it has the authority to implement the plant for the proposed planning and service areas, as required by Section 208 (c)(2) of the Clean Water Act. The Picacho Sewer Company will amend their special use permit, allowing the company to provide wastewater service to the extended acreage. The Utility Company has applied for the Certificate of Convenience and Necessity (CC&N) as required by the Arizona Corporation Commission to provide funding for the system. The Special Use Permit will be included in **Attachment A**. The CC&N application is included in **Attachment B**. The finalized order will be received in mid-April 2005. This project has support of the Pinal County, as evidenced by the letters in **Attachment C**.

## **BACKGROUND AND SUMMARY**

At build out, the overall service area will consist of 15,700 dwelling units (du). There may be up to five 18-hole golf courses. There are also plans for up to two elementary schools. The new service area will be developed at an estimated rate of 600 homes/year beginning in the year 2005, while the Robson Ranch development will grow at an estimated rate of 300 homes per year.

The Picacho Sewer Company is constructing Phase 1 of wastewater treatment plant on the western boundary of the development, located at the southwest corner of Toltec Buttes and Cornman Roads. However, due to the overall slope of the increased service area, the plant will be relocated in Phase 2, to the northern edge of the property, the low point for sewer collection system. **Figure 2** shows Phase 1 and Phase 2 locations of the treatment plant. After the Phase 2 treatment plant is constructed, the Phase 1 treatment plant will no longer be used, and go through closure plan APP as per ADEQ.

# PICACHO SEWER COMPANY WATER RECLAMATION PLANT



11°43'00\"/>



Farrington  
Engineers, Inc.

Map created with TOPO® ©2003 National Geographic (www.nationalgeographic.com/topo)  
Source of City Limits  
City of Casa Grande Planning Area Map  
City of Eloy Zoning Map

## Revised 5/10/05 ATTACHMENT #1 OVERALL LOCATION MAP



# PICACHO SEWER COMPANY PICACHO WATER RECLAMATION PLANT

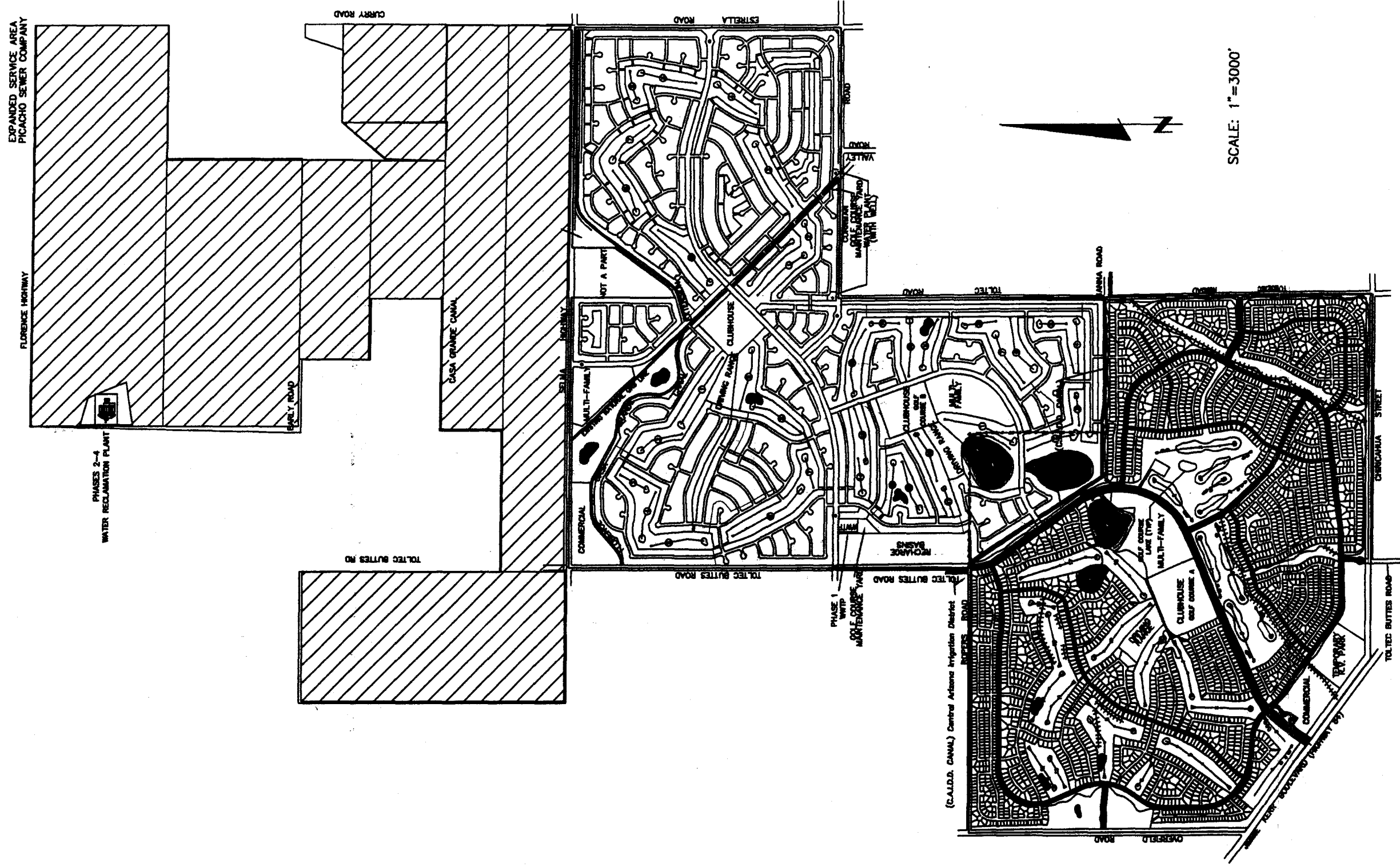


FIGURE 2  
OVERALL SERVICE AREA

The effluent from the treatment plant will be rated for the A+ reuse category (as defined by the Arizona Department of Environmental Quality) and suitable for golf course, open access and parks irrigation. In addition the excess effluent will be recharged using the rapid percolation basins, either located in the existing area of the Phase 1 treatment plant, or at an appropriate location on the northern boundary. No surface water discharge is anticipated.

When growth nears the initial phase capacity of the treatment plant, the plant will be expanded in three additional phases until the build out of the service area.

## **PLAN AREA**

The Robson Ranch-Casa Grande development is located northwest of the interstate 10, east of Casa Grande. The new part of the service area is located in sections (some portions) 27, 28, 32, 33, and 34 Township 6 South, Range 7 East, and the existing service area is located in sections (some portions) 3, 4, 8, 9, 16, and 17 of Township 7 South, Range 7 East. The property has historically been agricultural and currently some land remains under cultivation. The existing water quality will not have an adverse effect on the effluent recharge. **Figure 1** shows the location map of the community, in relation to surrounding communities, and the City of Phoenix and Arizona in general. The metes and bounds legal description for the plant site is included in **Attachment D**.

At build-out, the development will include 15,700 single family dwelling units, encompassing approximately 5920 acres. It is planned that approximately 15 percent of the gross acreage will be earmarked for parks and open space. There are plans for two elementary schools throughout the area. Up to five golf courses are scheduled, with the first course planned for the initial opening. **Figure 2** shows the overall site plan of the service area.

It is currently anticipated that the Picacho Sewer Company will only serve the development and will not incorporate any other areas or sanitary districts. The Picacho Water Company and Arizona Water Company will provide potable (drinking) water to the service area. Two separate well systems will be utilized, one for potable water (higher quality, deep well system), and an irrigation well system (lower quality, shallow well system). ED2 will provide the electrical service. The nearest town is Eloy, approximately seven miles to the southeast.

## **PROJECTED POPULATION AND WASTEWATER FLOWS**

Wastewater flow projections are based on a projected occupancy density of 3.5 people per single family dwelling unit for the new service area, and 1.85 people per dwelling unit for the Robson Ranch development. The average daily flow is assumed to be 100 gpd per person. The population estimates are made based on ADEQ, as POPTAC figures are unavailable for undeveloped area.

Commercial flow is estimated at 1000 gpd/acre, and schools are estimated at 15,000 gpd per school. There are no other state or private lands anticipated to be annexed and to be served by the wastewater system. The wastewater flow projections for the development are shown in **Table 1**.

**Table 1: Wastewater Flow Projections**

Year	Robson Ranch Units (300 homes/yr 1st 10 years, 600 thereafter)	New Service Area Units (600 homes per year – 300 homes per year first and last year)	Flow rates: 180 gpd/du Robson 350 gpd/sf New Area mgd	Commercial Wastewater Contribution Flow (gpd)	Projected Wastewater Flow (mgd) Annual Average
2005	100	300	0.123	0	0.123
2006	400	900	0.387	0	0.387
2007	700	1500	0.651	15,000	0.667
2008	1000	2100	0.915	15,000	0.93
2009	1300	2700	1.179	20,000	1.199
2010	1600	3300	1.443	30,000	1.473
2011	1900	3900	1.707	45,000	1.752
2012	2500	4500	2.025	55,000	2.080
2013	3100	5100	2.343	70,000	2.413
2014	3700	5700	2.661	100,000	2.761
2015	4300	6300	2.979	120,000	3.099
2016	4900	6900	3.297	135,000	3.432
2017	5500	7500	3.615	145,000	3.760
2018	6100	7700	3.793	155,000	3.948
2019	6700	7700	3.901	200,000	4.101
2020	7300	7700	4.009	250,000	4.259
2021	7900	7700	4.117	305,000	4.422

Note: The development will be built out in the year 2021, and there are no plans for future phases



## PROPOSED WASTEWATER TREATMENT PLANT

Although the community will be developed in several phases, from a technical and economical standpoint, the wastewater treatment plant will be constructed in three phases. Table 2 outlines the four phases of construction for the facility.

**Table 2: Phases of Wastewater Treatment Plant**

Phase	Year Phase Completed	Annual Average Q (mgd)	Maximum Month 1.2Q (mgd)	Peak Hour 2.0 Q (mgd)
1 facility currently under construction	2004	0.25	0.30	0.75 (3 peak this initial phase)
2 location of facility to the north	2006	1.5	1.8	3.0
3	2010	3.0	3.6	6.0
4	2018	4.5	5.4	9.0

The Arizona Department of Environmental Quality (ADEQ) regulates effluent quality and treatment plants through its Aquifer Protection Program. In addition, since the effluent will be used for irrigation, ADEQ sets forth rules for the reuse of wastewater.

The plant processes are designed such that the highest quality of effluent for a reasonable cost can be obtained. It is planned to produce an effluent of A+ category, which, according to the ADEQ reuse regulations has the following limitations:

- Total nitrogen less than 10 mg/L
- Biochemical oxygen demand (BOD) and suspended solids (SS) less than 10 mg/L
- Turbidity = 2 NTU
- Coliform = non-detect
- A pH range of 6.5 – 9.0

ADEQ also defines noise and odor controls in conjunction with the facility setback. The setback is defined as the distance between a plant process structure (filter, clarifier, etc.) and the nearest adjacent property line. The setback for a facility of this size is 350 feet, with noise and odor controls. The process structures will be contained, and the foul air scrubbed before release into the environment.

The WRP will consist of the following processes:

- Influent screening and grit removal
- Influent pump station
- Biological activated sludge with nitrogen removal
- Secondary clarification
- Filtration

- Ultraviolet disinfection
- Effluent pump station
- Solids handling facilities for the treatment and disposal of sludge.
- Odor control

After the initial phase of 0.25 mgd, the plant site will be relocated to the northern boundary of the service area. The initial plant of 0.25 mgd will be closed. The next three phases, including the processes, site layout, electrical distribution system and hydraulic profile will be master planned for three phases of 1.50 mgd each. This CAAG 208 Amendment addresses the full 4.50 mgd build-out capacity facility.

The site plan for the facility is shown on **Figure 3**, the process layout is shown on **Figure 4**, and the process flow diagram is shown on **Figure 5**.

The construction of the wastewater treatment plant is necessary to meet the needs of the service area because there are no adequate wastewater treatment facilities nearby. The location of the treatment plant is optimal for the construction of the sewer system and the growth of the service area.

## EFFLUENT MANAGEMENT

The primary use of the effluent will be for reuse as irrigation on the community golf courses and open spaces. During the winter months, the supply of effluent from the WRP will exceed the irrigation demand. The effluent will then be recharged, using rapid infiltration basins, located near the Phase 1 of the WRP, as shown on **Figure 3**. If the recharge basins and associated Aquifer Storage and Recovery Wells (ASR) do not prove adequate for the full build-out of the facility, then additional hydrogeological investigations will occur to find additional area for percolation. It is anticipated that recharge basins could also be installed near the Phase 2, 3 and 4 of the treatment plant, using the setback area for basin construction.

Per the Arizona Department of Environmental Quality (ADEQ) Reclaimed Wastewater Reuse Regulations, the golf courses are required to notify their customers that reclaimed water (the effluent) is being used for irrigation on golf courses and ponds. Information regarding use of the reclaimed water will be printed on the scorecard and on signs posted at the lakes. The proposed locations for the golf courses, recreational areas, schools, and decorative lakes are shown on **Figure 2**. A reuse contract will be entered into between the utility company and the effluent users, per ADEQ's requirements.

## REQUIRED PERMITS

There are several permits required for the construction of the Picacho WRP. The following permits will need to be issued by the involved agencies:

**Table 3: Required Permits**

<i>Permit Required</i>	<i>Agency</i>
Aquifer Protection Permit	ADEQ
Reuse Permit (included in APP)	ADEQ
Underground Storage Permit	ADWR
Air Quality	Pinal County
208 Amendment	CAAG

# PICACHO SEWER COMPANY PICACHO WATER RECLAMATION PLANT

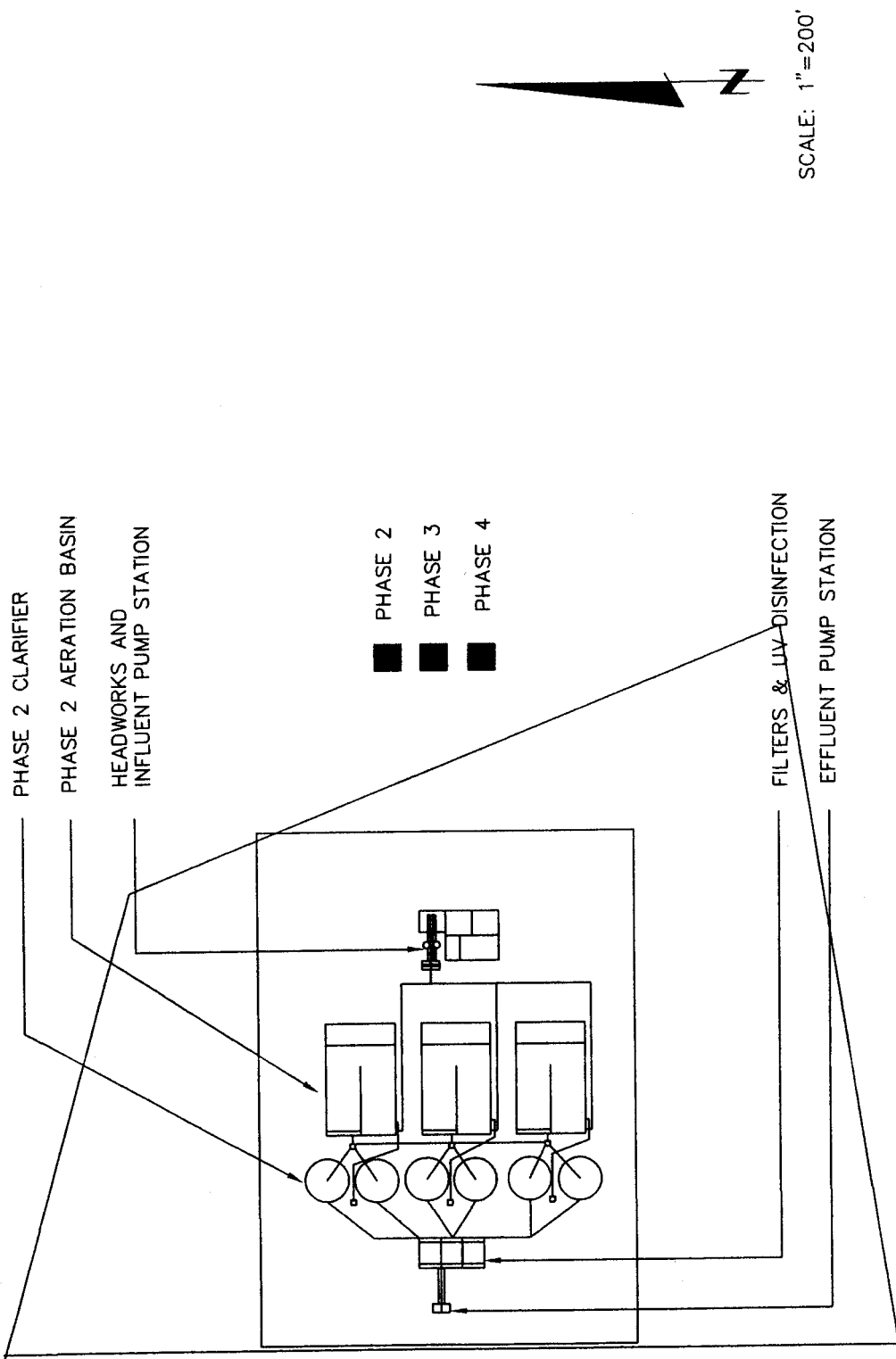


FIGURE 3  
 SITE PLAN

# PICACHO SEWER COMPANY PICACHO WATER RECLAMATION PLANT

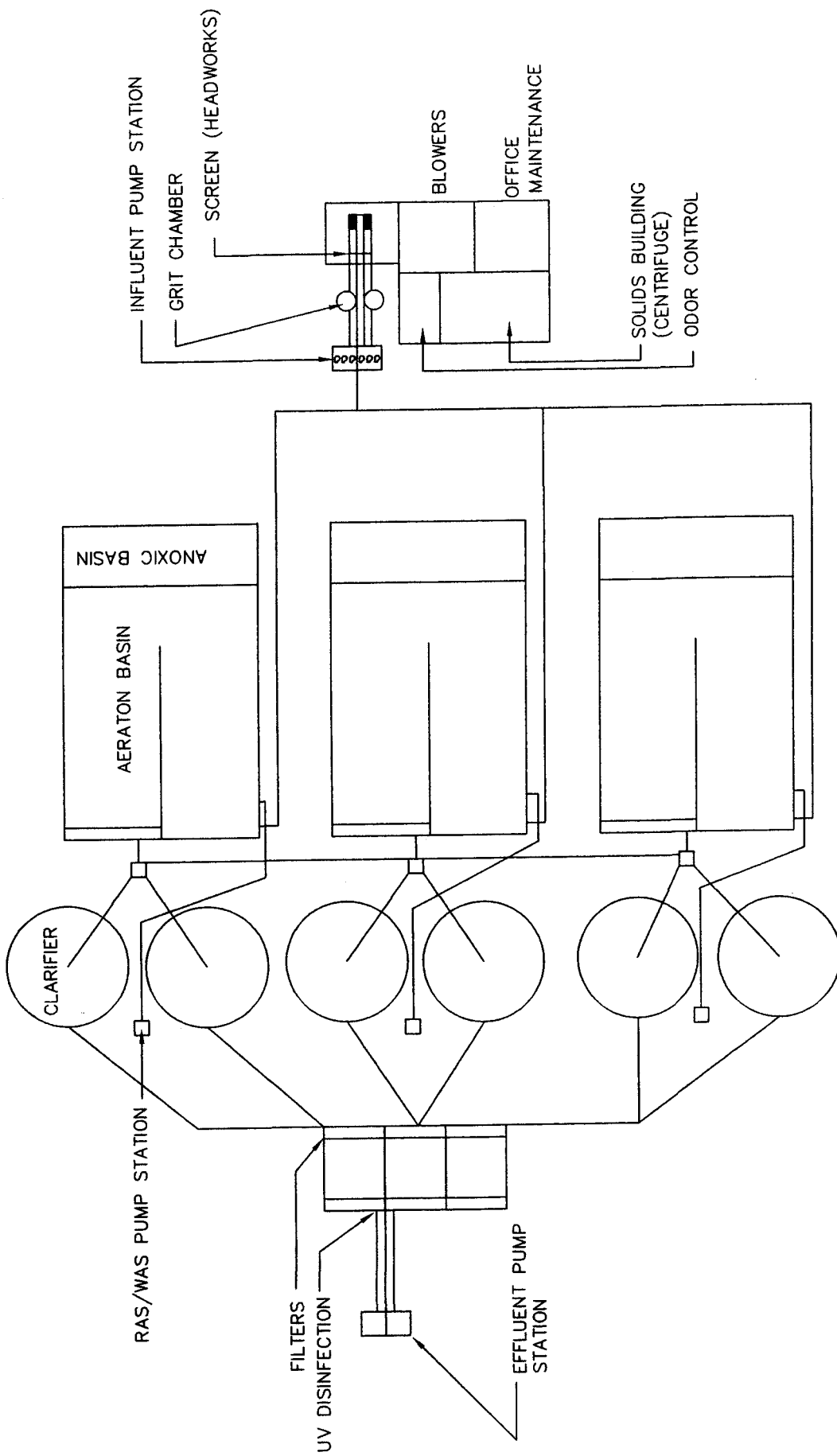


FIGURE 4  
PROCESS LAYOUT

# PICACHO SEWER COMPANY PICACHO WATER RECLAMATION PLANT

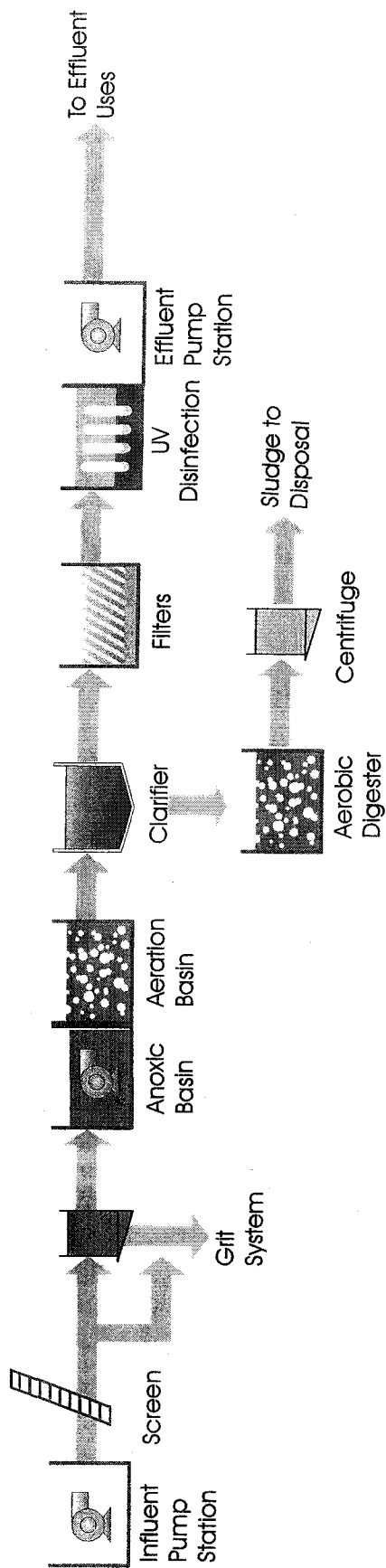


Figure 5  
Process Flow Diagram

A telephone conversation with ADEQ staff was conducted to determine the permitting requirements for the treatment plant and effluent use (**Attachment E**). An individual Aquifer Protection Permit (APP) is required from ADEQ for all wastewater treatment plants. The APP is required to ascertain that the aquifer in the vicinity of the WRP is not contaminated with the wastewater or other pollutants. A facility with steel or concrete basins will not contaminate the groundwater since no leakage is expected. The APP also requires monitoring of flow and effluent quality, and reviews the other effluent disposal permits (such as the Reuse Permit).

The WRP will meet all requirements. ADEQ also reviews the engineering design report, and the other required permits for compliance with BADCT standards (Best Available Demonstrated Control Technology): An Operation and Maintenance (O&M) Manual for the facility is also required.

The reuse of the effluent is governed by the ADEQ Reclaimed Wastewater Regulations. The Reuse Permit is included in the APP for all projects that use effluent for irrigation. Any lakes that receive effluent will be lined to prevent seepage. No run-off of effluent is permitted, and it is recommended to irrigate in evening hours, to mitigate human contact.

A Water Storage Facility and Underground Storage and Recovery Permits are in place for the Phase 1 up to 1.5 mgd. For recharge credits up to the capacity of the buildout plant, then modification of the permits will be required. Both permits are administered by the Arizona Department of Water Resources (ADWR).

Dewatered sludge will be disposed of in the Butterfield landfill, located at 40404 South 99<sup>th</sup> Avenue, Mobile, Arizona (approximately 15 miles from the WRP). This lined and licensed landfill has a permitted capacity for the next 40 years. No AZPDES permit is required. This landfill is where sludge from the SaddleBrooke and Sun Lakes WRPs are deposited, and an agreement will be in place prior to the start-up of the first phase of the Picacho WRP.

A Pinal County Air Quality Permit will also be required. The Air Quality Permit involves an inventory of the fuel-burning equipment at the plant, and other potential sources of air pollution such as volatile organic chemicals (VOC's) that may be released from the wastewater. From the inventory a determination is made as to the pounds of air pollutants per year that can be expected from the WRP. Carbon monoxide, nitrogen oxides, and particulate matter are usually the main pollutants of concern. If the loading of any of the pollutants of concern is near the limits set by Pinal County, then monitoring of emissions from the plant must be done. Monitoring for air pollutants is not typically necessary at a wastewater treatment plant.

The Picacho Sewer Company will apply with ADEQ, USEPA and ADWR for all applicable permits mentioned in this section.

There are no pretreatment requirements associated with the Picacho WRP, as the development has no planned industrial users. Consequently since the majority of the wastewater is of domestic origin, there are no specific pollutants or water quality problems expected in the influent. There are no non-point sources to be associated with the facility. Although nitrate is most likely present in the upper aquifer due to historical agricultural use of the planning area, the nitrate will not affect the treatment plant operations. The decorative lakes will be lined, so no seepage will occur (either in or out of the ponds). When the effluent is recharged, the effluent nitrate levels will be less than 10 mg/L and will not cause degradation of the aquifer.

In accordance with Section 208 of the Clean Water Act, an Area-Wide Water Quality Management Plan was prepared by the Central Arizona Association of Governments (CAAG).

The Water Quality Management Plan has continually been updated through several Plan Amendments and updates. This document will serve as the 208 Water Quality Plan Amendment for the Picacho Sewer Company. The CAAG is a designated area-wide water quality management planning agency for Pinal and Gila counties.

No stormwater from off-site sources will be permitted on the WRP site. Berming and grading will allow the off-site stormwater to be diverted around the site. On-site stormwater will be retained in on-site retention basins.

## **CONSTRUCTION**

The Picacho Sewer Company will be responsible for managing the construction, operation and maintenance of the facilities throughout the life of the project. Carrier Construction, Inc. will be contracted to construct the wastewater treatment plant. The company intends to commence construction in 2005 and complete construction by early year 2006. As stated in Table 2, construction of Phases 2, 3 and 4 will likely be complete by the years 2006, 2010 and 2018, respectively. For these future phases, actual timing is dependent on home sales. In addition, approximately 18 months is allotted for the design/construction of those phases.

Pinal County ordinance recommends that the contractor exercise "precautions to reasonable control dust". A dust control permit is required. Construction storm water is typically handled via the USEPA's General Storm Water Permit, as defined in 40 CFR Parts 122 and 123. The contractor will contain the stormwater on-site, and there will be no adverse effects at the site. An overall SWMPP will be obtained for the development.

There is sufficient land area on the northern boundary WRP site for the construction. Therefore, the phases (3 and 4) can be constructed with little or no impact on the existing WRP (phase 2).

## **ENVIRONMENTAL IMPACTS/BENEFITS**

The Picacho WRP would sit on an approximately 10-acre site in the northern edge of the service area. The required 350-foot setbacks will be maintained and are not included in the 10 acres (but rather, in addition to that site land). Odor control on all potential odor-producing structures will be installed. Noise from motors will be contained within buildings or other acoustical measures.

No hazardous chemicals will be stored on site. Chemicals that may be used, such as polymers for sludge thickening, would not represent a fire or explosion hazard, and would not risk groundwater contamination. During construction, the contractor is required to provide containment for any hazardous materials, such as motor oil or gasoline.

The construction of the proposed wastewater treatment plant will be positive for the communities and businesses in the community. The construction of the treatment plant will provide wastewater service to the planned development of the community and eliminate the need for individual septic tank and leach field systems.

The use of the effluent for irrigation is a beneficial reuse for the community, as it saves and protects groundwater supplies. The effluent in the golf course lakes and the development of open space and green public areas will provide an aesthetic benefit for the community.

## FINANCIAL INFORMATION

Picacho Sewer Company will obtain authority for the financing necessary for the construction of the Picacho WRP through the Arizona Corporation Commission. The financing order will be included in **Attachment F**. The financing will consist of issuing common stock to the Company's shareholders, or incurring long term debt. The proceeds from the sale of common stock, or the issuance of long term debt, will be used to construct the facility. The shareholders in Picacho Sewer Company are the same shareholders in the Picacho Development Company, who also are the developers of the Sun Lakes Community east of the site, and SaddleBrooke Community to the south. The shareholders are ready and willing to finance the construction of the project.

Picacho Sewer Company's rates to own, operate and maintain the WRP system, including the rechargel areas, are established by the Arizona Corporation Commission. Picacho Sewer Company has staff and has retained legal counsel that is experienced and competent in the rate making process. The Company will file timely rate applications to cover the costs of operating and maintaining the WRP. The Company will comply with all of the requirements to amend the Central Arizona Association of Governments 208 Plan. The Company will commence with the process of constructing the Picacho WRP. The WRP will commence operation once the Company has obtained approval from ADEQ. The golf courses within the Robson Ranch development (the reuse sites) will be owned by the developer or the Homeowners Association. A contract will be made between the other users of the effluent and the utility company to comply with ADEQ regulations.

The preliminary engineer's estimate of probable construction costs for each phase is shown in **Table 4**. As the detailed design of each phase is completed, the costs may be reduced or increased accordingly.

**Table 4: Preliminary Engineer's Estimate of Probable Construction Costs**

Phase	Construction Cost Estimate
Phase 1	\$12,750,000
Phase 2	\$10,000,000
Phase 3	\$10,000,000

Costs include contingencies, but not engineering and permitting fees.



**CAAG 208 Water Quality Management Plan  
Amendment for Picacho Sewer Company  
Picacho Water Reclamation Plant**

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**208 AMENDMENT CHECKLIST**

**CHECKLIST ITEM:**

**PAGE NO.**

Authority

- |    |   |   |
|----|---|---|
| 1. | Proposed Designated Management Agency (DMA) shall self-certify that it has the authorities required by Section 208(c)(2) of the Clean Water Act to implement the plan for its proposed planning and service area. Picacho Sewer Company is in the process of including the new service area in the CC&N. There are no DMAs in the area. The Picacho Sewer Company certifies that it has the authority required by Section 208(c)(2) of the Clean Water Act to implement the plant for its proposed planning and service areas. The Pinal County supports (Attachment C) the Picacho Sewer Company in implementing the WW plan and service for the Picacho Development. The CC&N order is in Attachment B. | 1 |
|----|---|---|

20-Year Needs

- |    |  |                               |
|----|--|-------------------------------|
| 2. | Describe the existing WWT facilities: There are currently no WWT facilities to serve the development and expanded service area.  | 5                             |
| 3. | Show WWT certified and service areas for private, utilities and sanitary district boundaries, if appropriate: Figure 2 shows the overall service area. The WWT facilities will service only that area. The phase 1 WWTP has been previously approved and is under construction. Upon completion of Phase 2 WWTP, phase 1 will be closed. Figure 1 shows the location map and the service boundaries of the cities of Casa Grande and Eloy.                         | 1, 5<br>Figure 1,<br>Figure 2 |
| 4. | Provide POPTAC population estimates over 20-year period: Table 1 describes the population projections through the build-out for the community. POPTAC figures are not available.   | 3                             |
| 5. | Provide wastewater flows over 20-year planning period: Table 1 describes the wastewater flows associated with population projections through the build-out for the community.  | 3                             |
| 6. | Illustrate WWTP planning and service areas: A map, shown on Figure 2, outlines the Picacho service area. The wastewater treatment plant only serves that area.   | 1<br>Figure 2                 |
| 7. | Describe the type and capacity of the recommended WWTP: The proposed Picacho WRP will be built to a capacity of 4.5 mgd. The wastewater treatment plant will consist of the following processes: screening/grit removal, influent pump station, activated sludge with nitrogen removal, filtration, ultraviolet disinfection, and effluent pumping. Sludge will be treated and dewatered in a centrifuge, and hauled to a licensed landfill. Effluent will be used | 4,5                           |

**CHECKLIST ITEM:****PAGE NO.**

for irrigation and recharge.

- |     |  |             |
|-----|--|-------------|
| 8.  | Identify water quality problems, consider alternative control measures, and recommend solution for implementation: The raw wastewater will be treated in a facility designed to produce effluent of excellent quality (A+ reuse standards as defined by ADEQ). The effluent quality will meet or exceed all limitations outlined in the required permits. Preliminary water quality investigations of the area around the recharge basins (proposed and previously-approved) show no existing water quality problems that will influence the recharge of the effluent. | 2, 4,5      |
| 9.  | If private WWT utilities with certificated areas are within the proposed regional service area, define who serves what area and when: There are no existing or planned private wastewater treatment utilities of the capacity in the service area. Outside the service area are private septic systems, and the City of Eloy and City of Casa Grande service areas.  | 5, Figure 1 |
| 10. | Describe method of effluent disposal and reuse sites: The effluent will be used for irrigation of the development's turf areas and lake fill. When effluent exceeds irrigation uses, water shall be recharged in on-site percolation basins.   | 4, 5        |
| 11. | If Sanitary Districts are within a proposed planning or service area, describe who serves the Sanitary Districts and when: There are no existing or planned sanitary districts within the service area.  | 5           |
| 12. | Describe ownership of land proposed for plant sites and reuse areas: The WRP site, including the effluent basins, is owned and will be operated by the Picacho Sewer Company, and the developer (or Picacho Homeowners Association) will own the reuse sites.  | 8           |
| 13. | Address time frame in development of treatment works: Construction of the first phase of the WWTP is expected to commence in the year 2005 and be completed in 2006. Phase 2 will start in 2010 and be completed in 2011, while Phase 3 will start in 2017, and end in 2018. The time frames depend on development population growth.  | 7           |
| 14. | Address financial constraints in the development of the treatment works: The Picacho Sewer Company will use issue common stock, or incur long-term debt to finance the construction of the WRP.  | 8           |
| 15. | Describe how discharges will comply with EPA municipal and industrial storm water discharge regulations: There is no proposed effluent discharge. The primary effluent uses are reuse and recharge. Stormwater on the WRP site will be contained on-site in retention basins. The development does not have combined sewers.   | 6,7         |

**CHECKLIST ITEM:****PAGE NO.**

- |                               |   |                    |
|-------------------------------|---|--------------------|
| 16.                           | Describe how open areas and recreational opportunities will result from improved water quality and how those will be used: The landscaped areas, lakes and golf course will be aesthetically pleasing to the residents, and the irrigation and recharge with effluent are beneficial reuses.  | 7                  |
| 17.                           | Describe potential use of lands associated with treatment works and increased access to water based recreation, if applicable: There is no water-based recreation associated with this project.   | 7                  |
| <br><b><u>Regulations</u></b> |   |                    |
| 18.                           | Describe types of permits needed, including NPDES, APP, and reuse: The Picacho Sewer Company will acquire the APP, Air Quality and ADWR Permits. The Contractor will obtain the construction related permits, including stormwater, and Pinal County dust control.  | 5, 6, 7            |
| 19.                           | Describe restrictions on NPDES permits, if needed, for discharge and sludge disposal: Dewatered sludge will be disposed of in the licensed Butterfield landfill in Pinal County.  | 5, 6               |
| 20.                           | Provide documentation of communication with ADEQ permitting Section 30-60 days prior to public hearing regarding the need for specific permits: Meeting notes with ADEQ included in Attachment E.   | 5,<br>Attachment E |
| 21.                           | Describe pretreatment requirements and method of adherence to requirements Section 208 (b)(2) (D) CWA: As the development has no industrial users, there are no pretreatment requirements.  | 6                  |
| 22.                           | Identify, if appropriate, specific pollutants that will be produced from excavations and procedures that will protect ground and surface water quality: There are no expected pollutants produced from the excavation of the soil. The Contractor will not wash equipment, or store or change oil on the premises. The Contractor must reasonably control dust. | 6                  |
| 23.                           | Describe alternatives and recommendations in the disposition of sludge generated: Although the treatment capacity exists to treat sludge generated by the activated sludge process to a EPA Part 503 Class B requirement, the Picacho Sewer Company has elected to dispose of the dewatered sludge in a landfill.   | 6                  |
| 24.                           | Define any non-point issues related to the proposed facility and outline procedures to control them: There will be no non-point sources. Storm water from 100-year storm events will be contained on site in storm water retention ponds.   | 7                  |
| 25.                           | Describe process to handle all mining runoff, orphan sites and underground pollutants: There are no mining activities involved with this project.   | N/A                |

**CHECKLIST ITEM:****PAGE NO.**

36. Provide financial information indicating method and measures necessary to achieve project financing: **The Company will issue common stock or incur long-term debt to fund the expansion of the WWTP. Attachment F shows the financials.** 8

**Implementability**

37. Describe impacts and implementability of Plan: Describe impacts on existing wastewater (WW) facilities, e.g., sanitary district, infrastructure/facilities and certificated areas: **There are currently no existing wastewater facilities in the development. The first phase WWTP is currently under construction and has been already approved in the CAAG 208 and ADEQ.** 1, 4, 5
38. Describe how and when existing package plants will be connected to a regional system **Not applicable; there are no package plants associated with the regional system.** 5
39. Describe impact on communities and businesses affected by the plan: **The construction of the wastewater treatment plant will provide wastewater service to the entire planned development of the Picacho community.** 7
40. If a municipal wastewater system is proposed, describe how wastewater treatment service will be provided until the municipal system is completed: **No homes can be occupied until after completion of the wastewater treatment plant.** 7

**Public Participation**

41. Submit a copy of mailing list used to notify the public of public hearing: **CAAG to handle public notification.** N/A
42. List location where documents are available for review at least 30 days before public hearing: **CAAG to handle public notification.** N/A
43. Submit copy of public notice of public hearing as well as an official affidavit of publication from area newspaper (Clearly show announcement appeared in newspaper at least 45 days before the hearing): **CAAG to handle public notification.** N/A
44. Submit affidavit of publication for official newspaper publication: **CAAG to handle public notification.** N/A
45. Submit responsiveness summary for public hearing: **CAAG to handle public notification.** N/A

ATTACHMENT A  
Special Use Permit

ATTACHMENT B  
CC&N Application

**COMMISSIONERS**  
JEFF HATCH-MILLER - Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES



BRIAN C. McNEIL  
Executive Secretary

**ARIZONA CORPORATION COMMISSION**

DATE: February 14, 2005

DOCKET NOS: W-03528A-04-0641 and SW-03709A-04-0642

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Teena Wolfe. The recommendation has been filed in the form of an Opinion and Order on:

**PICACHO WATER COMPANY and PICACHO SEWER COMPANY  
(CC&N EXTENSION)**

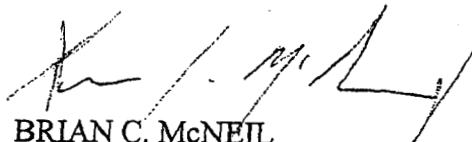
Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by **4:00 p.m.** on or before:

**FEBRUARY 23, 2005**

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

**MARCH 8 AND 9, 2005**

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Secretary's Office at (602) 542-3931.

  
BRIAN C. McNEIL  
EXECUTIVE SECRETARY

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 JEFF HATCH-MILLER, Chairman  
4 WILLIAM A. MUNDELL  
5 MARC SPITZER  
6 MIKE GLEASON  
7 KRISTIN K. MAYES

8 IN THE MATTER OF THE APPLICATION OF  
9 PICACHO WATER COMPANY FOR AN  
10 EXTENSION OF ITS CERTIFICATE OF  
11 CONVENIENCE AND NECESSITY TO PROVIDE  
12 WATER SERVICE IN PINAL COUNTY,  
ARIZONA.

DOCKET NO. W-03528A-04-0641

13 IN THE MATTER OF THE APPLICATION OF  
14 PICACHO SEWER COMPANY FOR AN  
15 EXTENSION OF ITS CERTIFICATE OF  
16 CONVENIENCE AND NECESSITY TO PROVIDE  
17 SEWER SERVICE IN PINAL COUNTY,  
18 ARIZONA.

DOCKET NO. SW-03709A-04-0642

DECISION NO. \_\_\_\_\_

**OPINION AND ORDER**

13 DATE OF HEARING:

January 19, 2005

14 PLACE OF HEARING:

Phoenix, Arizona

15 ADMINISTRATIVE LAW JUDGE:

Teena Wolfe

16 APPEARANCES:

Mr. Jim Poulos, Vice President and General  
Manager, on behalf of Picacho Water Company  
and Picacho Sewer Company; and

Ms. Lisa A. Vandenberg, Staff Attorney, Legal  
Division, on behalf of the Utilities Division of  
the Arizona Corporation Commission.

20 **BY THE COMMISSION:**

21 On September 2, 2004, Picacho Water Company ("PWC") and Picacho Sewer Company  
22 ("PSC") each filed with the Arizona Corporation Commission ("Commission") an application to  
23 extend the territory under their existing Certificates of Convenience and Necessity ("CC&Ns").

24 On November 1, 2004, the Commission's Utilities Division ("Staff") filed letters in each  
25 docket indicating that both the above-captioned applications were sufficient.

26 On November 9, 2004, by Procedural Order, these matters were consolidated for purposes of  
27 hearing, and a hearing was scheduled for January 19, 2005.  
28



1 On November 30, 2004, PWC and PSC filed certification that they provided notice of the  
2 applications and hearing in accordance with the Commission's Procedural Order.

3 Also on November 30, 2004, PWC and PSC filed amendments to their CC&N extension  
4 applications. The amendments eliminated an area consisting of 563 acres from both PWC's and  
5 PSC's extension requests.

6 On December 30, 2004, Staff filed its Staff Report on the applications.

7 On January 13, 2005, PWC and PSC jointly filed the direct testimony of Jim Poulos in  
8 response to the Staff Report.

9 On January 19, 2005, a full public hearing was convened before a duly authorized  
10 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. PWC's and PSC's  
11 Vice President and General Manager appeared on their behalf and Staff appeared with counsel. At  
12 the conclusion of the hearing, the matter was taken under advisement pending submission of a  
13 Recommended Opinion and Order to the Commission.

14 \* \* \* \* \*

15 Having considered the entire record herein and being fully advised in the premises, the  
16 Commission finds, concludes, and orders that:

17 **FINDINGS OF FACT**

18 1. PWC is an Arizona corporation that was granted authority by the Commission in  
19 Decision No. 61266 (November 25, 1998) to provide water utility service to a 3,000 acre age-  
20 restricted master planned development called Robson Ranch located south of Casa Grande near I-10  
21 and Toltec Road in Pinal County, Arizona.

22 2. PSC is an Arizona corporation that was granted authority by the Commission in  
23 Decision No. 61994 (October 9, 1999) to provide sewer utility service to the same area granted to  
24 PWC in Decision No. 61266.

25 3. PWC and PSC are affiliated with Robson Communities, Inc. ("Robson"), a developer  
26 of master-planned communities in Arizona and in Texas. In association with some of its Arizona  
27 developments, Robson Communities has formed and operates Pima Water Company, Pima Sewer  
28 Company, Ridgeview Utility Company, Lago Del Oro Water Company, Saddlebrooke Utility

1 Company, and Quail Creek Water Company, which companies together provide utility services to  
2 approximately 40,000 customers in the State of Arizona.

3 4. On September 2, 2004, PWC and PSC filed applications for extension of their  
4 CC&Ns.

5 5. On November 20, 2004, PWC and PSC each filed amendments to their respective  
6 applications eliminating a portion of their requested extension areas. PWC's resulting requested  
7 extension area is set forth in Exhibit A, attached hereto and incorporated herein by reference, and  
8 PSC's resulting requested extension area is set forth in Exhibit B, attached hereto and incorporated  
9 herein by reference.

10 6. Notice of the applications was provided in accordance with the law.

11 7. On December 30, 2004, Staff filed its Staff Report recommending conditional  
12 approval of the applications following a hearing.

13 8. PWC and PSC are not currently providing service, but anticipate serving their first  
14 permanent customers in their currently certificated territories in the first part of 2006.

15 9. Robson is now planning to develop an additional project called EJR Ranch in an area  
16 adjacent to Robson Ranch. EJR Ranch is being planned as a non age-restricted residential  
17 development of approximately 8,000 homes. The owners of the property on which EJR Ranch will  
18 be developed have requested service from PWC and PSC. PWC and PSC's witness stated that the  
19 companies anticipate providing service to the EJR Ranch area sometime in 2007.

20 10. The PWC water system currently consists of two equipped wells with a combined  
21 capacity of 4,300 gallons/minute, a 1,000,000 gallon storage tank and a pumping station. In  
22 addition, PWC has 13 un-equipped wells that can provide a minimum of 1,000 gallons/minute each,  
23 for total production capacity of at least 17,300 gallons/minute. Staff estimated the demand for the  
24 existing and proposed CC&N territory at build out, and determined that PWC's total production  
25 capacity exceeds the projected demand.

26 11. PWC's two equipped wells have arsenic levels of 3 milligrams per liter ("µg/l") and  
27 17 µg/l. PWC has prepared an arsenic blending plan for these wells that will result in the blended  
28 water meeting the United States Environmental Protection Agency's ("EPA's") new Maximum

1 Contaminant Level ("MCL") of 10 µg/l for arsenic.

2 12. At this time, PWC anticipates that in the event its additional wells are high in arsenic  
3 and if it cannot meet the EPA's new MCL by blending from those wells, it will utilize a granular  
4 ferric hydroxide adsorption process for arsenic removal.

5 13. Staff concluded that PWC can develop and construct adequate water storage and  
6 production to serve its anticipated customer base, and can treat and provide water that will meet the  
7 water quality standards required by Title 18, Chapter 4 of the Arizona Administrative Code.

8 14. The PSC sewer treatment system currently consists of a 250,000 gallon per day  
9 sequencing batch reactor facility. PSC holds a Reuse Permit, an Aquifer Protection Permit, and has  
10 an approved Central Arizona Association of Governments ("CAAG") § 208 management plan. This  
11 original CAAG plan provides for an ultimate wastewater treatment plant capacity of 1.25 million  
12 gallons per day ("MGD").

13 15. Based on the addition of the EJ Ranch to its service territory, PSC plans to expand  
14 the existing treatment facility in three additional phases, up to a 4.5 MGD capacity. PSC believes  
15 that due to the topography of the additional EJ Ranch service territory, it will probably be  
16 economically justifiable to relocate the facility to optimize sewage collecting and pumping costs.  
17 PSC plans to relocate the facility by its second expansion phase.

18 16. PSC provided Staff with a draft copy of the amendment to its Central Arizona  
19 Association of Governments ("CAAG") § 208 management plan. Staff evaluated PSC's wastewater  
20 planning and design documents and concluded that PSC can design and construct adequate  
21 wastewater collection, treatment and disposal facilities to serve the projected customer base.

22 17. PWC and PSC anticipate internally financing the water and sewer facilities necessary  
23 to serve the proposed extension areas with a combination of equity and debt, and may seek authority  
24 for long-term capitalization subsequent to start-up of operations.

25 18. No other municipal or public service corporations provide water or sewer service in  
26 the proposed service areas described in Exhibits A and B.

27 19. There is a public need and necessity for water and sewer service to the requested  
28 extension areas.

1        20.    PWC is located within the Pinal Active Management Area ("AMA").

2        21.    Robson, the developer of Robson Ranch, currently holds a Certificate of Assured  
3 Water Supply ("CAWS") issued by the Arizona Department of Water Resources ("ADWR").

4        22.    Because PWC and PSC are not yet operational, no historical compliance data is  
5 available from the Arizona Department of Environmental Quality ("ADEQ").

6        23.    PWC and PSC have no outstanding compliance issues with the Commission.

7        24.    PWC and PSC have requested a Pinal County franchise for the proposed extension  
8 areas. Staff recommends that PWC and PSC be required to file with the Commission copies of the  
9 Pinal County franchises within 365 days of this Decision.

10       25.    Staff recommends that PWC and PSC be required to charge their authorized rates and  
11 charges in the authorized extension areas.

12       26.    Staff recommends that the Commission approve PWC's application subject to  
13 compliance with the following conditions, and that this Decision be considered null and void without  
14 further Order should PWC fail to meet the conditions within the time specified:

- 15                • that PWC file with Docket Control a backflow prevention tariff and a  
16                    curtailment tariff within 60 days of any decision in this matter;
- 17                • that PWC file with Docket Control a copy of the ADEQ Approval to Construct  
18                    within 12 months of any decision in this matter;
- 19                • that PWC file with Docket Control a report on the arsenic levels of the  
20                    production wells and associated treatment within 365 days of any decision in  
21                    this matter; and
- 22                • that PWC notify the Compliance Manager of the Commission's Utilities  
23                    Division 30 days prior to initiating service to customers in the proposed service  
24                    area.

25       27.    Staff recommends that the Commission approve PSC's application subject to  
26 compliance with the following conditions, and that this Decision be considered null and void without  
27 further Order should PSC fail to meet the conditions within the time specified:

- 28                • that PSC file with Docket Control a copy of the CAAG § 208 Plan  
                    Amendment approval relating to this CC&N extension within 365 days from  
                    the effective date of the final decision in this matter;

- that PSC file with Docket Control a copy of the ADEQ Aquifer Protection Permit with 24 months of any decision in this matter; and
- that PSC notify the Compliance Manager of the Commission's Utilities Division 30 days prior to initiating service to customers in the proposed service area.

28. In the Clarifications to Staff Report PWC and PSC filed on January 13, 2005, PWC and PSC stated that the developer in the proposed extension area will be obtaining a CAWS, and that PWC's CC&N extension should therefore be conditioned on PWC filing a CAWS, not a Designation of Assured Water Supply. Staff did not object.

29. In the Clarifications to Staff Report that PWC and PSC filed on January 13, 2005, PWC requested that it be allowed an additional year beyond Staff's recommended 12 months to file the ADEQ Approval to Construct, and an additional year beyond Staff's recommended two years to file a copy of the developer's CAWS. PSC requested that it be allowed an additional year beyond the 24 months recommended by Staff to file a copy of its ADEQ Aquifer Protection Permit. PWC and PSC stated that they are requesting the additional time for compliance due the time it will take them to receive Planned Area Development approval from Pinal County, which is a necessary step prior to the developer applying for the CAWS from ADWR and PSC applying to ADEQ for the Aquifer Protection Permit.

30. At the hearing, Staff's witness stated that Staff believes that two years is appropriate for this case, but that Staff would be willing to consider extensions in the future if unforeseen circumstances cause a delay in PWC or PSC obtaining the required documentation from ADWR or ADEQ. In the alternative, Staff recommended that if PWC or PSC are granted the requested additional year for compliance with Staff's recommendations in this Decision, that no opportunity for an extension of time for compliance should be granted.

31. According to their witness, PWC and PSC anticipate providing service to the EJ Ranch area sometime in 2007. Based on this expected timeframe for commencing the provision of service, the compliance timeframes recommended by Staff in the Staff Report are reasonable.

32. Staff's recommendations in Findings of Fact Nos. 24 through 27 are reasonable, but in lieu of the recommended condition in Findings of Fact No. 26 that PWC file a copy of its amended or

1 updated Designation of Assured Water Supply within two years of any decision in this matter, we  
2 will require that PWC instead file a copy of the developer's CAWS within two years of this Decision.

3 **CONCLUSIONS OF LAW**

4 1. PWC and PSC are public service corporations within the meaning of Article XV of the  
5 Arizona Constitution and A.R.S. §§ 40-281, 40-282 and 40-252.

6 2. The Commission has jurisdiction over PWC and PSC and the subject matter of the  
7 applications.

8 3. Notice of the applications was provided in accordance with the law.

9 4. There is a public need and necessity for water utility service in the proposed service  
10 area described in Exhibit A.

11 5. There is a public need and necessity for sewer utility service in the proposed service  
12 area described in Exhibit B.

13 6. PWC and PSC are fit and proper entities to receive extensions of the service territory  
14 under their CC&Ns.

15 7. Approval of the requested extensions to PWC's and PSC's service territories as  
16 described in Exhibits A and B is in the public interest, subject to PWC's and PSC's compliance with  
17 the Staff recommendations set forth in Findings of Fact Nos. 24 through 27, as modified by Findings  
18 of Fact No. 32, above.

19 8. The application to extend PWC's service territory under its CC&N to include the area  
20 described in Exhibit A should be granted subject to the conditions set forth in Findings of Fact No.  
21 26, as modified by Findings of Fact No. 32, above.

22 9. The application to extend PSC's service territory under its CC&N to include the area  
23 described in Exhibit B should be granted subject to the conditions set forth in Findings of Fact No. 27  
24 above.

25 **ORDER**

26 IT IS THEREFORE ORDERED that the application of Picacho Water Company to extend the  
27 service territory under its existing Certificate of Convenience and Necessity to include the area  
28 described in Exhibit A is hereby granted, conditioned upon its timely compliance with the conditions

1 set forth in Findings of Fact No. 26, as modified by Findings of Fact No. 32, hereinabove.

2 IT IS FURTHER ORDERED that the application of Picacho Sewer Company to extend the  
3 service territory under its existing Certificate of Convenience and Necessity to include the area  
4 described in Exhibit B is hereby granted, conditioned upon its timely compliance with the conditions  
5 set forth in Findings of Fact No. 27 hereinabove.

6 IT IS FURTHER ORDERED that Picacho Water Company shall charge its authorized rates  
7 and charges in the extension area.

8 IT IS FURTHER ORDERED that Picacho Sewer Company shall charge its authorized rates  
9 and charges in the extension area.

10 IT IS FURTHER ORDERED that Picacho Water Company shall file with the Commission's  
11 Docket Control copies of its Pinal County franchise within 365 days of this Decision.

12 IT IS FURTHER ORDERED that Picacho Sewer Company file with the Commission's  
13 Docket Control copies of its Pinal County franchise within 365 days of this Decision.

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IT IS FURTHER ORDERED that in the event either Picacho Water Company or Picacho Sewer Company requests an extension of time to make any of the compliance filings ordered herein, the Commission's Utilities Division Staff shall docket a formal response to such request within thirty days of the request.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_ day of \_\_\_\_\_, 2005.

BRIAN C. McNEIL  
EXECUTIVE SECRETARY

DISSENT \_\_\_\_\_

DISSENT \_\_\_\_\_  
TW:mj



1 SERVICE LIST FOR:

PICACHO WATER COMPANY AND PICACHO  
SEWER COMPANY

2  
3 DOCKET NOS.

W-03528A-04-0641 AND SW-03709A-04-0642

4 Jim Poulos  
5 Picacho Water Company  
6 Picacho Sewer Company  
7 9532 East Riggs Road  
8 Sun Lakes, AZ 85016

9 Christopher Kempley, Chief Counsel  
10 Legal Division  
11 ARIZONA CORPORATION COMMISSION  
12 1200 West Washington Street  
13 Phoenix, AZ 85007

14 Ernest G. Johnson, Director  
15 Utilities Division  
16 ARIZONA CORPORATION COMMISSION  
17 1200 West Washington Street  
18 Phoenix, AZ 85007  
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Legal Description

Robson Ranch Casa Grande  
81-Acre Addition

August 31, 2004

A Parcel of land located in Section 3, T.7S., R.7E., of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows;

COMMENCING at the Northwest Corner of said Section 3;

THENCE along the North line of said Section 3, N89°46'32"E, a distance of 1324.88 feet to the POINT OF BEGINNING;

THENCE S00°05'32"W, a distance of 2657.36 feet to the Southwest corner of this parcel;

THENCE N89°34'55"E, a distance of 1334.62 feet to the Southeast corner of this parcel;

THENCE N00°06'38"W, a distance of 2652.78 feet to the North Quarter Corner of said Section 3, also being the Northeast corner of this parcel;

THENCE along the North line of said Section 3, S89°46'32"W, a distance of 1325.21 to the POINT OF BEGINNING.

The above described parcel contains 3,530,926 square feet or 81.06 acres, more or less.



Legal DescriptionProposed Addition to Picacho Water Company  
(Dermer Parcel)

August 30, 2004

A parcel of land located in Sections 27, 28, 32, 33, and 34, T.6S., R7E., of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the South Quarter Corner of said Section 32;

THENCE along the North-South Midsection Line of said Section 32, N00°03'00"E, a distance of 2,644.70 feet to the Center Quarter Corner of said Section 32;

THENCE continuing along said North-South Midsection line N00°03'00"E, a distance of 2,660.15 feet to the North Quarter Corner of said Section 32;

THENCE along the North line of said Section 32, S89°54'24"E, a distance of 2,647.58 feet to the Northeast Corner of said Section 32;

THENCE along the East line of said Section 32, S00°03'34"E, a distance of 2,658.61 feet to the East Quarter Corner of said Section 32;

THENCE continuing along said East line, S00°03'11"E, a distance of 1,326.56 feet to the Northwest Corner of the South half of the Southwest Quarter of said Section 33;

THENCE along the North line of said South half, N89°52'39"E, a distance of 2,665.80 feet to the North-South Midsection line of said Section 33;

THENCE along said North-South Midsection line, N00°06'24"E, a distance of 1,331.08 feet to the Center Quarter of said Section 33;

THENCE along the East-West Midsection Line of said Section 33, N89°46'50"E, a distance of 2,666.00 feet to the East Quarter Corner of said Section 33;

THENCE along the East line of said Section 33, N00°06'56"E, a distance of 1,335.46 feet to the Southeast Corner of the Northeast Quarter of the Northeast Quarter of said Section 33;

THENCE S89°42'40"W, a distance of 1,333.11 feet to the Northeast Corner of the Southwest Quarter of the Northeast Quarter of said Section 33;

THENCE N00°06'40"E, a distance of 1,333.85 feet to the Southwest Corner of the East One Half of the Southeast Quarter of said Section 28;

Legal DescriptionProposed Addition to Picacho Water Company  
(Dermer Parcel) (Cont.)

August 30, 2004

THENCE along the South line of said Section 28, S89°38'30"W, a distance of 1,333.23 feet to the South Quarter Corner of said Section 28;

THENCE along the North-South Midsection Line of said Section 28, N00°34'17"E, a distance of 2,663.48 feet to the Center Quarter Corner of said Section 28;

THENCE continuing along said North-South Midsection line, N00°34'17"E, a distance of 2,680.43 feet to the North Quarter Corner of said Section 28;

THENCE along the North line of said Section 28, S89°41'26"E, a distance of 2,647.59 feet to the Northwest Corner of said Section 27;

THENCE along the North line of said Section 27, N89°45'38"E, a distance of 2,653.73 feet to the North Quarter Corner of said Section 27;

THENCE along the North-South Midsection line, S00°19'09"W, a distance of 2,661.46 feet to the Center Quarter Corner of said Section 27;

THENCE continuing along the North-South Midsection Line of said Section 27, S00°19'09"W, a distance of 2,661.61 feet to the South Quarter Corner of said Section 27;

THENCE along the North-South Midsection Line of said Section 34, S00°12'07"W, a distance of 1,778.63 feet to the southeasterly line of the Florence-Casa Grande Canal, per A.L.T.A. Survey created by B & R Engineering, Inc., Project #919500, Casa Grande 1800 Acres, as evidenced by the southeasterly edge of the southerly dirt access road that abuts said Canal;

THENCE along said Southeasterly line, N40°11'45"E, a distance of 1,111.79 feet to the beginning of a tangent curve, concave to the southeast, having a radius of 285.00 feet;

THENCE northeasterly along the said curve, through a central angle of 45°44'36", an arc distance of 227.54 feet;

THENCE N85°56'21"E, a distance of 100.95 feet;

THENCE N88°25'57"E, a distance of 988.19 feet to the beginning of a tangent curve, concave to the northwest, having a radius of 344.00 feet;

THENCE northeasterly along the said curve, through a central angle of 51°58'23", an arc distance of 312.04 feet;

THENCE N36°27'34"E, a distance of 75.32 feet to the beginning of a tangent curve, concave to the northwest, having a radius of 520.00 feet;

THENCE northeasterly along the said curve, through a central angle of 23°44'47", an arc distance of 215.51 feet;

Legal Description

Proposed Addition to Picacho Water Company  
(Dermer Parcel) (Cont.)

August 30, 2004

THENCE N12°42'47"E, a distance of 411.06 feet to the North line of said Section 34;

THENCE along said North line N89°59'00"E, a distance of 169.65 feet to the Northeast Corner of said Section 34;

THENCE along the East line of said Section 34, S00°17'19"W, a distance of 2,660.13 feet to the East Quarter of said Section 34;

THENCE continuing along the East line, S00°17'57"W, a distance of 2,663.47 feet to the Southeast Corner of said Section 34;

THENCE along the South line of said Section 34, S89°47'33"W, a distance of 2,649.98 feet to the South Quarter Corner of said Section 34;

THENCE continuing along said South line S89°46'32"W, a distance of 2,650.08 feet to the Southeast Corner of said Section 33;

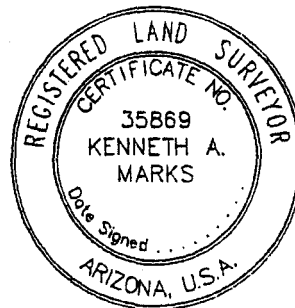
THENCE along the South line of said Section 33, S89°58'18"W, a distance of 2,665.94 feet to the South Quarter Corner of said Section 33;

THENCE continuing along said South line, S89°58'28"W, a distance of 2,662.09 feet to the Southeast Corner of said Section 32;

THENCE along the South line of said Section 32, N89°45'32"W, a distance of 2,657.45 feet to the POINT OF BEGINNING.

EXCEPTING THEREFROM, that portion of the above described parcel lying in Sections 27 and 28, T6S, R7E.

The above-described parcel contains 52,787,082 square feet or 1,205.37 acres, more or less.



Legal Description

Robson Ranch Casa Grande  
81-Acre Addition

August 31, 2004

A Parcel of land located in Section 3, T.7S., R.7E., of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows;

COMMENCING at the Northwest Corner of said Section 3;

THENCE along the North line of said Section 3, N89°46'32"E, a distance of 1324.88 feet to the POINT OF BEGINNING;

THENCE S00°05'32"W, a distance of 2657.36 feet to the Southwest corner of this parcel;

THENCE N89°34'55"E, a distance of 1334.62 feet to the Southeast corner of this parcel;

THENCE N00°06'38"W, a distance of 2652.78 feet to the North Quarter Corner of said Section 3, also being the Northeast corner of this parcel;

THENCE along the North line of said Section 3, S89°46'32"W, a distance of 1325.21 to the POINT OF BEGINNING.

The above described parcel contains 3,530,926 square feet or 81.06 acres, more or less.



Legal Description

Proposed Addition to Picacho Sewer Company  
(Dermer Parcel)

August 30, 2004

A parcel of land located in Sections 27, 28, 32, 33, and 34, T.6S., R7E., of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the South Quarter Corner of said Section 32;

THENCE along the North-South Midsection Line of said Section 32, N00°03'00"E, a distance of 2,644.70 feet to the Center Quarter Corner of said Section 32;

THENCE continuing along said North-South Midsection line N00°03'00"E, a distance of 2,660.15 feet to the North Quarter Corner of said Section 32;

THENCE along the North line of said Section 32, S89°54'24"E, a distance of 2,647.58 feet to the Northeast Corner of said Section 32;

THENCE along the East line of said Section 32, S00°03'34"E, a distance of 2,658.61 feet to the East Quarter Corner of said Section 32;

THENCE continuing along said East line, S00°03'11"E, a distance of 1,326.56 feet to the Northwest Corner of the South half of the Southwest Quarter of said Section 33;

THENCE along the North line of said South half, N89°52'39"E, a distance of 2,665.80 feet to the North-South Midsection line of said Section 33;

THENCE along said North-South Midsection line, N00°06'24"E, a distance of 1,331.08 feet to the Center Quarter of said Section 33;

THENCE along the East-West Midsection Line of said Section 33, N89°46'50"E, a distance of 2,666.00 feet to the East Quarter Corner of said Section 33;

THENCE along the East line of said Section 33, N00°06'56"E, a distance of 1,335.46 feet to the Southeast Corner of the Northeast Quarter of the Northeast Quarter of said Section 33;

THENCE S89°42'40"W, a distance of 1,333.11 feet to the Northeast Corner of the Southwest Quarter of the Northeast Quarter of said Section 33;

Legal DescriptionProposed Addition to Picacho Sewer Company  
(Dermer Parcel) (Cont.)

August 30, 2004

THENCE N00°06'40"E, a distance of 1,333.85 feet to the Southwest Corner of the East One Half of the Southeast Quarter of said Section 28;

THENCE along the South line of said Section 28, S89°38'30"W, a distance of 1,333.23 feet to the South Quarter Corner of said Section 28;

THENCE along the North-South Midsection Line of said Section 28, N00°34'17"E, a distance of 2,663.48 feet to the Center Quarter Corner of said Section 28;

THENCE continuing along said North-South Midsection line, N00°34'17"E, a distance of 2,680.43 feet to the North Quarter Corner of said Section 28;

THENCE along the North line of said Section 28, S89°41'26"E, a distance of 2,647.59 feet to the Northwest Corner of said Section 27;

THENCE along the North line of said Section 27, N89°45'38"E, a distance of 2,653.73 feet to the North Quarter Corner of said Section 27;

THENCE along the North-South Midsection line, S00°19'09"W, a distance of 2,661.46 feet to the Center Quarter Corner of said Section 27;

THENCE continuing along the North-South Midsection Line of said Section 27, S00°19'09"W, a distance of 2,661.61 feet to the South Quarter Corner of said Section 27;

THENCE along the North-South Midsection Line of said Section 34, S00°12'07"W, a distance of 1,778.63 feet to the southeasterly line of the Florence-Casa Grande Canal, per A.L.T.A. Survey created by B & R Engineering, Inc., Project #919500, Casa Grande 1800 Acres, as evidenced by the southeasterly edge of the southerly dirt access road that abuts said Canal;

THENCE along said Southeasterly line, N40°11'45"E, a distance of 1,111.79 feet to the beginning of a tangent curve, concave to the southeast, having a radius of 285.00 feet;

THENCE northeasterly along the said curve, through a central angle of 45°44'36", an arc distance of 227.54 feet;

THENCE N85°56'21"E, a distance of 100.95 feet;

THENCE N88°25'57"E, a distance of 988.19 feet to the beginning of a tangent curve, concave to the northwest, having a radius of 344.00 feet;

THENCE northeasterly along the said curve, through a central angle of 51°58'23", an arc distance of 312.04 feet;

THENCE N36°27'34"E, a distance of 75.32 feet to the beginning of a tangent curve, concave to



Legal Description

Proposed Addition to Picacho Sewer Company  
(Dermer Parcel) (Cont.)

August 30, 2004

the northwest, having a radius of 520.00 feet;

THENCE northeasterly along the said curve, through a central angle of 23°44'47", an arc distance of 215.51 feet;

THENCE N12°42'47"E, a distance of 411.06 feet to the North line of said Section 34;

THENCE along said North line N89°59'00"E, a distance of 169.65 feet to the Northeast Corner of said Section 34;

THENCE along the East line of said Section 34, S00°17'19"W, a distance of 2,660.13 feet to the East Quarter of said Section 34;

THENCE continuing along the East line, S00°17'57"W, a distance of 2,663.47 feet to the Southeast Corner of said Section 34;

THENCE along the South line of said Section 34, S89°47'33"W, a distance of 2,649.98 feet to the South Quarter Corner of said Section 34;

THENCE continuing along said South line S89°46'32"W, a distance of 2,650.08 feet to the Southeast Corner of said Section 33;

THENCE along the South line of said Section 33, S89°58'18"W, a distance of 2,665.94 feet to the South Quarter Corner of said Section 33;

THENCE continuing along said South line, S89°58'28"W, a distance of 2,662.09 feet to the Southeast Corner of said Section 32;

THENCE along the South line of said Section 32, N89°45'32"W, a distance of 2,657.45 feet to the POINT OF BEGINNING.

The above-described parcel contains 80,787,082 square feet or 1,854.61 acres, more or less.



Legal Description

Madison Diversified

August 30, 2004

A parcel of land located in Sections 26 and 27, T.6S., R7E., of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the North Quarter Corner of said Section 27;

THENCE along the North line of said Section 27, N89°45'14"E, a distance of 2,655.73 feet to the Northwest Corner of said Section 26;

THENCE along the North line of said Section 26, N89°50'59"E, a distance of 2,655.02 feet to the North Quarter Corner of said Section 26;

THENCE along the North-South Midsection Line of said Section 26, S00°17'26"W, a distance of 2,675.42 feet to the Center of said Section 26;

THENCE along the East-West Midsection Line of said Section 26, N89°57'54"W, a distance of 2,654.88 feet to the West Quarter Corner of said Section 26;

THENCE along the East-West Midsection Line of said Section 27, S89°52'13"W, a distance of 2,657.09 feet to the Center of said Section 27;

THENCE along the North-South Midsection Line of said Section 27, N00°19'09"E, a distance of 2,661.46 feet to the POINT OF BEGINNING.

The above-described parcel contains 14,168,341.91 square feet or 325.26 acres, more or less.





# ATTACHMENT C

## Support Letters

**ATTACHMENT D**  
**Metes & Bounds Legal Description**

# ALTA/ACSM LAND TITLE SURVEY

A PORTION OF SECTIONS 27, 28, 32, 33 AND 34, ALL BEING IN  
TOWNSHIP SIX SOUTH, RANGE SEVEN EAST, OF THE GILA  
AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA

## LEGAL DESCRIPTION

### EXHIBIT "A"

#### PARCEL 1:

THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 2:

THE EAST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 3:

THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 4:

THE WEST HALF OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 5:

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 6:

THE SOUTHEAST QUARTER OF SECTION 32, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA. EXCEPT ANY PORTION LYING WITHIN THE FLORENCE-CASA GRANDE CANAL.

#### PARCEL 7:

THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 8:

THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 9:

THAT PORTION OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING NORTH OF THE FLORENCE-CASA GRANDE CANAL AS NOW LOCATED, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER;

THENCE SOUTH ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER 510 FEET;

THENCE SOUTH 77 DEGREES 34 MINUTES WEST 625 FEET;

THENCE SOUTH 83 DEGREES 47 MINUTES WEST 1028 FEET;

THENCE SOUTH 3 DEGREES 36 MINUTES WEST TO SOUTH LINE OF NORTHWEST QUARTER OF THE SOUTHEAST QUARTER;

THENCE WEST ALONG SOUTH LINE THEREOF TO SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER;

THENCE NORTH ALONG WEST LINE OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER TO THE NORTHWEST CORNER OF THE SOUTHEAST QUARTER;

THENCE EAST ALONG THE NORTH LINE THEREOF TO THE POINT OF BEGINNING.

#### PARCEL 10:

THAT PART OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN; AND THAT PART OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING NORTH OF THE FLORENCE-CASA GRANDE CANAL. EXCEPT ANY PORTION LYING WITHIN THE FLORENCE-CASA GRANDE CANAL.

#### PARCEL 11:

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING SOUTH OF THE CANAL. EXCEPT ANY PORTION LYING WITHIN THE FLORENCE-CASA GRANDE CANAL.

#### PARCEL 12:

THAT PART OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING SOUTH OF THE CANAL. EXCEPT ANY PORTION LYING WITHIN THE FLORENCE-CASA GRANDE CANAL.

#### PARCEL 13:

THAT PART OF THE EAST HALF OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING SOUTH OF THE CANAL. EXCEPT ANY PORTION LYING WITHIN THE FLORENCE-CASA GRANDE CANAL.

#### PARCEL 14:

THE SOUTHWEST QUARTER OF SECTION 27, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 15:

THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 16:

THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 17:

THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

#### PARCEL 18:

THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 6 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

## SCHEDULE "B" ITEMS

1. Taxes for the full year of 2004.  
(The first half is due October 1, 2004 and is delinquent November 1, 2004. The second half is due March 1, 2005 and is delinquent May 1, 2005.)

2. Any charge upon said land by reason of its inclusion in Central Arizona Water Conservation District. (All assessments due and payable are paid.)

3. Any charge upon said land by reason of its inclusion in HoHoKam Irrigation and Drainage District. (All assessments due and payable are paid.)

4. Any charge upon said land by reason of its inclusion in San Carlos Irrigation and Drainage District. (All assessments due and payable are paid.)

5. Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof.

6. Water rights, claims or title to water, whether or not shown by the public records.

7. A Resolution by the Board of Supervisors of Pinal County, Arizona, recorded February 21, 1964 in Docket 375, Page 572, purporting to establish a county roadway.

8. The terms and provisions contained in the document entitled "Agreement Relating to Exercise of Reserved Right-of-Way" recorded March 2, 1988 as Docket 1510, Page 080 of Official Records.

(Affects Parcel No. 7, 16 and 17)

9. The terms and provisions contained in the document entitled "Notice of Exercise of Reserved Right-of-Way" recorded May 19, 1989 as Docket 1606, Page 355 of Official Records.

(Affects Parcel No. 8)

10. The terms and provisions contained in the document entitled "Notice of Exercise of Reserved Right-of-Way" recorded May 19, 1989 as Docket 1606, Page 365 of Official Records.

(Affects Parcel No. 7, 16 and 17)

11. The terms and provisions contained in the document entitled "Notice of Exercise of Reserved Right-of-Way" recorded May 19, 1989 as Docket 1606, Page 369 of Official Records.

(Affects Parcel No. 5, 9 and 11)

12. The terms and provisions contained in the document entitled "Agreement Relating to Exercise of Reserved Right-of-Way" recorded April 6, 1990 as Docket 1668, Page 291 of Official Records.

(Affects Parcel No. 7, 15, 16 and 17)

3. The terms and provisions contained in the document entitled "Agreement Relating to Exercise of Reserved Right-of-Way" recorded April 6, 1990 as Docket 1668, Page 299 of Official Records.

(Affects Parcel No. 8)

14. The terms and provisions contained in the document entitled "Agreement Relating to Exercise of Reserved Right-of-Way" recorded April 6, 1990 as Docket 1668, Page 307 of Official Records.

(Affects Parcel No. 5, 9 and 11)

15. The terms and provisions contained in the document entitled "Agreement Relating to Exercise of Reserved Right-of-Way" recorded April 6, 1990 as Docket 1668, Page 315 of Official Records.

(Affects Parcel No. 2, 4, 12 and 13)

16. An easement for pipe lines and incidental purposes in the document recorded as Book 52 of Deeds, Page 457 of Officials Records.

(Affects Parcel No. 5, 10 and 11)

17. An easement for pipe lines and incidental purposes in the document recorded as Book 52 of Deeds, Page 459 of Officials Records.

(Affects Parcel No. 5)

18. An easement for pipe lines and incidental purposes in the document recorded as Book 52 of Deeds, Page 460 of Officials Records.

(Affects Parcel No. 18)

19. An easement for pipe lines and incidental purposes in the document recorded as Book 63 of Deeds, Page 373 of Officials Records.

(Affects Parcel No. 18)

20. An easement for public highway and incidental purposes in the document recorded as Docket 38, Page 20 of Official Records.

(Affects Parcel No. 5, 10 and 11)

21. An easement for pipe lines and incidental purposes in the document recorded as Docket 40, Page 329 of Official Records.

(Affects Parcel No. 9 and 11)

22. An easement for public highway and incidental purposes in the document recorded as Docket 45, Page 431 of Official Records.

(Affects Parcel No. 12)

23. An easement for public highway and incidental purposes in the document recorded as Docket 45, Page 433 of Official Records.

(Affects Parcel No. 13)

24. An easement for meter station and/or pipe line and incidental purposes in the document recorded as Docket 103, Page 181 of Official Records.

(Affects Parcel No. 5)

25. An easement for meter station and/or pipe line and incidental purposes in the document recorded as Docket 126, Page 133 of Official Records.

(Affects Parcel No. 13)

26. An easement for public highway and incidental purposes in the document recorded as Docket 205, Page 236 of Official Records.

(Affects Parcel No. 3, 5, 8, 9, 10, 11 and 12)

27. An easement for electrical transmission line and incidental purposes in the document recorded as Docket 361, Page 358 of Official Records.

(Affects Parcel No. 3)

28. An easement for irrigation ditch and incidental purposes in the document recorded as Docket 384, Page 558 of Official Records.

(Affects Parcel No. 3)

29. An easement for electric transmission line and incidental purposes in the document recorded as Docket 740, Page 443 of Official Records.

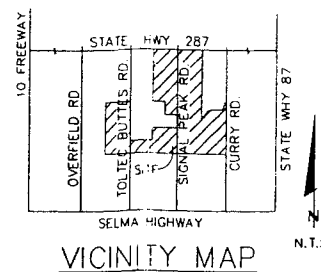
(Affects Parcel No. 6 and 18)

31. An easement for electric transmission line and incidental purposes in the document recorded as Docket 740, Page 444 of Official Records.

(Affects Parcel No. 5)

31. An easement for electric transmission line and incidental purposes in the document recorded as Docket 740, Page 445 of Official Records.

(Affects Parcel No. 13)



VICINITY MAP

32. An easement for electric transmission line and incidental purposes in the document recorded as Docket 740, Page 446 of Official Records.

(Affects Parcel No. 2 and 4)

33. An easement for electric transmission line and incidental purposes in the document recorded as Docket 808, Page 133 of Official Records.

(Affects Parcel No. 1 and 2)

34. An easement for electric transmission line and incidental purposes in the document recorded as Docket 862, Page 933 of Official Records.

(Affects Parcel No. 1 and 2)

35. An easement for electric transmission line and incidental purposes in the document recorded as Docket 862, Page 949 of Official Records.

(Affects Parcel No. 7 and 17)

36. An easement for electric transmission line and incidental purposes in the document recorded as Docket 866, Page 389 of Official Records.

(Affects Parcel No. 1)

37. An easement for electric transmission line and incidental purposes in the document recorded as Docket 906, Page 301 of Official Records.

(Affects Parcel No. 1)

38. Any facts, rights, interest or claims that may exist or arise by reason of the following matters disclosed by an ALTA/ACSM survey made by \_\_\_\_\_ on \_\_\_\_\_ designated Job Number \_\_\_\_\_.

39. The rights of parties in possession by reason of any unrecorded lease or leases or month to month tenancies affecting any portion of the within described property.

NOTE: This matter will be more fully set forth or deleted upon compliance with the applicable requirements (s) set forth herein.

End of Schedule "B"

## CERTIFICATION:

TO FIRST AMERICAN TITLE INSURANCE COMPANY, AND ARLINGTON PROPERTY MANAGEMENT COMPANY, AN ARIZONA CORPORATION, AND JOHN DERMER AND GLORIA B. DERMER, TRUSTEES OF THE DERMER FAMILY TRUST CREATED JULY 13, 1976:

THIS IS TO CERTIFY THAT THIS MAP OR PLAN AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH "MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS," JOINTLY ESTABLISHED AND ADOPTED BY ALTA, ACSM AND NSPS IN 1999, AND INCLUDES ITEMS 1, 2, 4, 14, 15, AND 16 OF TABLE A THEREOF. PURSUANT TO THE ACCURACY STANDARDS AS ADOPTED BY ALTA, NSPS, AND ACSM AND IN EFFECT ON THE DATE OF THIS CERTIFICATION, UNDERSIGNED FURTHER CERTIFIES THAT THE POSITIONAL UNCERTAINTIES RESULTING FROM THE SURVEY MEASUREMENTS MADE ON THE SURVEY DO NOT EXCEED THE ALLOWABLE POSITIONAL TOLERANCE.

## NOTES:

1.) THIS SURVEY IS BASED ON A TITLE COMMITMENT PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY, ORDER NUMBER NC3-84111-PHX1, EFFECTIVE DATE: MARCH 22, 2004.

2.) ALL DISTANCES AND BEARINGS PLATTED; HEREON RESULT FROM ACTUAL FIELD MEASUREMENTS COMPLETED 6-21-04.

3.) ZONING:

4.) FLOOD ZONE: INFORMATION DERIVED FROM F.I.R.M. COMMUNITY-PANEL NUMBER 040077 0950 C INDICATES THAT SUBJECT PROPERTY LIES WITHIN FLOOD ZONE "C".

## BASIS OF BEARING:

THE WEST LINE OF THE EAST HALF OF SECTION 32, T.6 S., R.7 E., OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MONUMENTED AS SHOWN HEREON AND ASSUMED BEARING N 00° 03' 00" E.

ALTA/ACSM LAND TITLE SURVEY

CASA GRANDE 1800 ACRES  
PART OF SEC 27, 28, 32, 33 & 34, T6S., R7E., G&SRM

BR ENGINEERING INC.  
16665 E. RIGGS RD. SUITE 141  
SUN LAKE, ARIZONA 85248  
PHONE: (480) 855-0799  
CIVIL ENGINEERING & LAND DEVELOPMENT



# **SCHEDULE "B" ITEMS**

7. A Resolution by the Board of Supervisors of Pinal County, Arizona, recorded February 21, 1964 in Docket 375, Page 572, purporting to establish a county roadway.
8. The terms and provisions contained in the document entitled "Agreement Relating to Exercise of Reserved Right-of-Way" recorded March 2, 1988 as Docket 1510, Page 080 of Official Records.  
(Affects Parcel No. 7, 16 and 17)
10. The terms and provisions contained in the document entitled "Notice of Exercise of Reserved Right-of-Way" recorded May 19, 1989 as Docket 1606, Page 365 of Official Records.  
(Affects Parcel No. 7, 16 and 17)
35. An easement for electric transmission line and incidental purposes in the document recorded as Docket 862, Page 949 of Official Records.  
(Affects Parcel No. 7 and 17)

## **NOTE:**

C.L.O. WITNESS CORNERS FOUND ARE REFERENCED TO THE "DEPENDENT SURVEY" PERFORMED BY THE C.L.O. OFFICE AND EXECUTED BY U.S. SURVEYOR: DUPREE R. AVERILL IN 1928.

# **ALTA/ACSM LAND TITLE SURVEY**

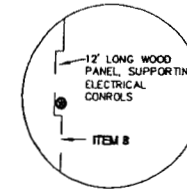
A PORTION OF SECTIONS 27, 28, 32, 33 AND 34, ALL BEING IN TOWNSHIP SIX SOUTH, RANGE SEVEN EAST, OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA

## **LEGEND**

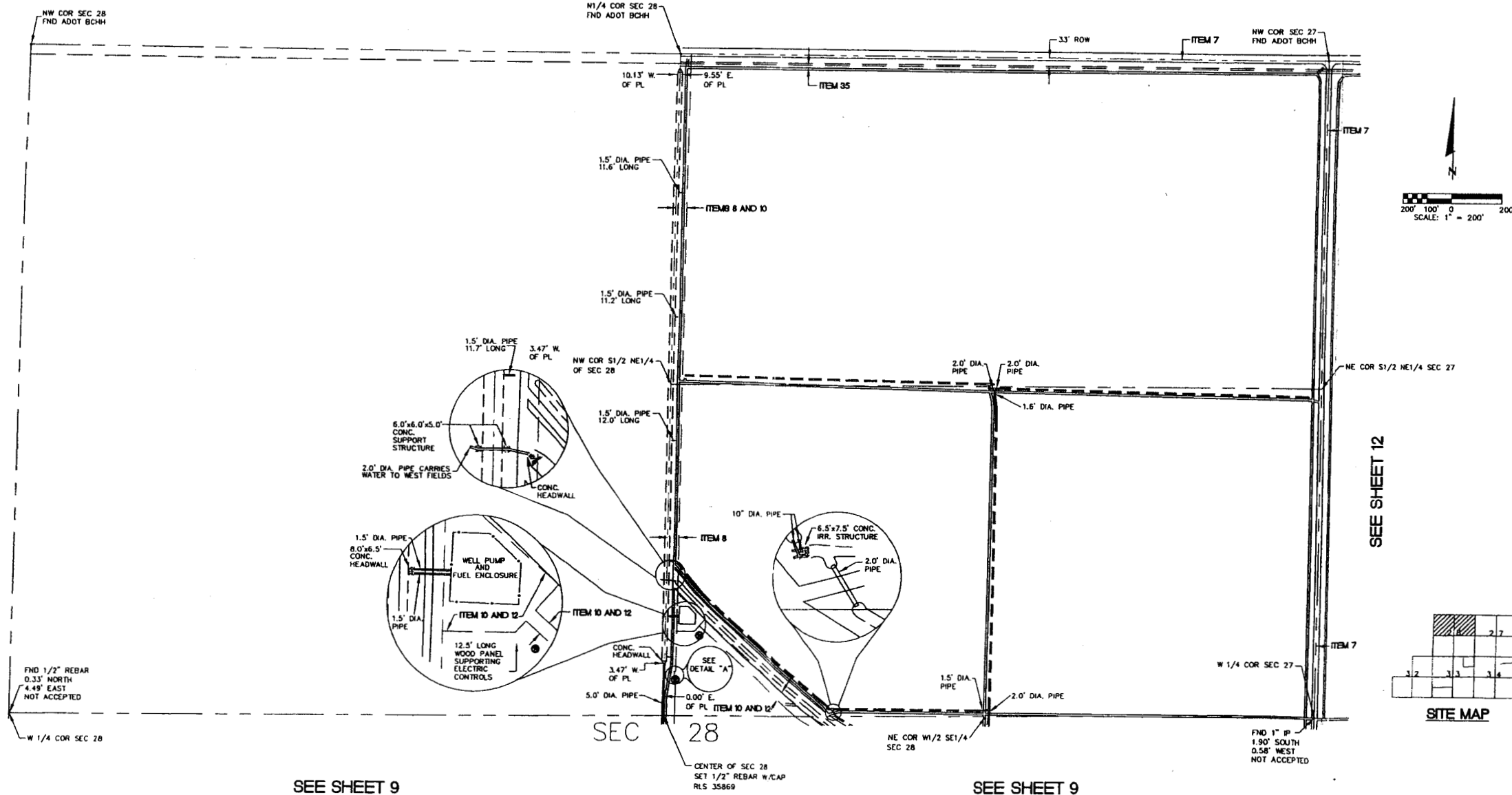
- TOP OF CANAL
- PAVEMENT
- EDGE OF DIRT ROAD
- GAS LINE
- SECTION LINE
- BOUNDARY LINE
- GAS VALVE
- ELECTRIC BOX
- TELEPHONE RISER
- WELL
- TELEPHONE POLE
- CORRUGATED METAL PIPE
- ITEM 20 - SCHEDULE "B" DOCUMENT
- CHAIN LINK FENCE
- RESIDENCE/BUILDING

## **LEGEND CONT.**

- GAS MARKER
- GAS METER BOX
- WATER BLOW-OFF VALVE
- FND. - FOUND
- IRR. - IRRIGATION
- CONC. - CONCRETE
- DIA. - DIAMETER
- BARBED WIRE FENCE
- BACK FLOW PREVENTER
- GUY WIRE
- OVERHEAD ELECTRIC
- FIBERGLASS WATER MARKER



**DETAIL "A"**



SEE SHEET 9

SEE SHEET 9

G:\DWGS-SURVEY\CG\ALTA\ALTA\TAT6SR7EDWG

**ALTA/ACSM LAND TITLE SURVEY**

CASA GRANDE 1800 ACRES  
PART OF SEC 27, 28, 32, 33 & 34, T6S., R7E., G&SRM

BR ENGINEERING INC.  
18866 E. RIGGS RD., SUITE 141  
SUITE 141  
SUN LAKE, ARIZONA 85248  
PHONE: (480) 985-0799  
CIVIL ENGINEERING & LAND DEVELOPMENT

SCIP  
TUG  
KAM  
REGISTERED LAND SURVEYOR  
35668  
KONNETH A. MARKS  
ARIZONA, U.S.A.  
919500  
12/02/04  
11 OF 12

ATTACHMENT E  
ADEQ Correspondence

# Memorandum

**To:** File  
**CC:** Marcy Mullins, ADEQ  
**From:** Lisa Farrington  
**Date:** 12/6/04  
**Re:** Picacho Water Reclamation Plant Pre Application Meeting

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A telephone conversation was held on Friday, December 3, 2004 at 9:30 am to discuss the various permitting requirements for the Picacho Water Reclamation Plant. Marcy Mullins, ADEQ APP Unit, was in attendance.

A brief description of the facility was given, including:

1. The location of the WRP (changing from the original location to the new service area of the Picacho Sewer Company)
2. The planned capacity (Phase 2- 1.5 mgd)
3. The effluent quality (A+ effluent, meeting all BADCT standards)
4. Effluent management (reuse on parks, landscaped areas and lakes, recharge in basins located at previous Phase 1 plant site)

Ms. Mullins has been through similar permitting with LJFE and the Picacho/Robson communities previously. She outlined some of the requirements as to the checklist that ADEQ now uses in developing the permit, and also the map that is needed for manager review.

There appears to be no unforeseen circumstances with environmental permitting for the new facility.

LJ Farrington Engineers, Inc.  
4005 East Gable Circle  
Mesa, Arizona 85206  
480.218.5559 480.218.1849 (f)



The APP application is straight-forward. As ADEQ is using a fact sheet now in lieu of an executive summary, it may be helpful for LJF to put a summary in the front of the permit application stating the following:

1. Type of effluent category - A+
2. Depth to groundwater and groundwater flow direction (in the Hydrogeological report, but bring forward into the summary)
3. Nearest point of use in the aquifer to the WRP and its use: define the location of the closest well and its use, whether it is potable or irrigation.

The reuse will require a Type 2 reuse permit. It is advised for the developer to apply for one Type 2 permit for all the reuse areas, since they are included within the development, and now they are all owned by the same company. Then if the ownership of certain reuse areas are transferred in the future, then separate Type 2 permits can be sought.

It was recommended to contact Khaumil Parghi at ADEQ Technical Review Unit for any other questions regarding the technical requirements of the WRP.

# ATTACHMENT F

## Financials

**PICACHO SEWER COMPANY  
PROFORMA INCOME STATEMENT**

	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>
Flat Rate Revenues	\$ 604,540	\$ 1,209,080	\$ 1,813,620	\$ 2,418,180	\$ 3,022,700
Measured Revenues	7,830	15,660	23,490	31,320	39,150
Establishment Charges	6,000	6,000	6,000	6,000	6,000
Other Operating Revenue	-	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 618,370</b>	<b>\$ 1,230,740</b>	<b>\$ 1,843,110</b>	<b>\$ 2,455,480</b>	<b>\$ 3,067,850</b>
<b>OPERATING EXPENSES:</b>					
Wages	105,100	161,900	201,800	239,600	271,200
Payroll Burden	28,250	40,450	50,450	59,950	67,750
Depreciation	243,200	371,400	929,600	1,037,800	1,146,000
Amortization	9,000	13,900	17,300	20,600	23,200
Chemicals	6,000	13,900	23,100	34,200	46,500
Supplies	12,000	23,100	34,600	47,900	62,000
Utilities	27,000	83,300	155,700	248,500	348,700
Repairs	6,000	18,500	34,800	54,800	77,500
Insurance	6,000	9,300	11,500	13,700	15,500
Property Taxes	12,000	37,000	69,200	109,600	155,000
Office Expenses	3,000	4,600	11,500	13,700	23,200
Postage	3,000	4,600	11,500	20,600	31,000
Testing	12,000	18,500	23,100	27,400	31,000
Vehicles	3,000	4,600	5,800	8,800	7,700
Licenses	6,000	9,300	11,500	13,700	15,500
Engineering	6,000	9,300	11,500	13,700	15,600
Legal	9,000	13,900	17,300	20,500	23,200
Other	3,000	4,600	5,800	8,800	7,700
Contract Labor	6,000	9,300	11,500	13,700	15,500
Office Rent	9,000	13,900	17,300	20,500	23,200
Administrative Services	42,000	42,000	42,000	42,000	42,000
Recharge Site Maintenance	30,000	46,300	57,700	68,500	77,500
<b>Total Operating Expenses</b>	<b>\$ 584,550</b>	<b>\$ 953,850</b>	<b>\$ 1,754,350</b>	<b>\$ 2,132,350</b>	<b>\$ 2,528,350</b>
<b>OPERATING INCOME OR LOSS</b>	<b>\$ 33,820</b>	<b>\$ 277,090</b>	<b>\$ 88,760</b>	<b>\$ 323,130</b>	<b>\$ 541,500</b>
<b>OTHER INCOME /EXPENSE</b>					
Interest Income	-	-	-	-	-
Other Income	-	-	-	-	-
Other Expense	-	-	-	-	-
Interest Expense	-	-	-	-	-
<b>TOTAL OTHER INCOME/EXPENSE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 33,820</b>	<b>\$ 277,090</b>	<b>\$ 88,760</b>	<b>\$ 323,130</b>	<b>\$ 541,500</b>

**PICACHO SEWER COMPANY  
PROFORMA BALANCE SHEET**

	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	<u>Year Four</u>	<u>Year Five</u>
<u>Assets</u>					
<u>Current Assets</u>					
Cash	\$ 277,020	\$ 925,510	\$ 1,943,870	\$ 3,304,800	\$ 4,992,300
Accounts Receivable	-	-	-	-	-
Other	-	-	-	-	-
Total Current Assets	\$ 277,020	\$ 925,510	\$ 1,943,870	\$ 3,304,800	\$ 4,992,300
<u>Fixed Assets</u>					
Utility Plant	\$ 6,080,000	\$ 9,285,000	\$ 23,240,000	\$ 25,945,000	\$ 28,650,000
Less Accumulated Depreciation	(243,200)	(614,600)	(1,544,200)	(2,582,000)	(3,728,000)
Net Plant in Service	\$ 5,836,800	\$ 8,670,400	\$ 21,695,800	\$ 23,363,000	\$ 24,922,000
Total Assets	<u>\$ 6,113,820</u>	<u>\$ 9,595,910</u>	<u>\$ 23,639,670</u>	<u>\$ 28,667,800</u>	<u>\$ 29,914,300</u>
<u>LIABILITIES AND CAPITAL</u>					
<u>Current and Accrued Liabilities</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Notes Payable	-	-	-	-	-
Accrued Taxes	-	-	-	-	-
Accrued Interest	-	-	-	-	-
Other	-	-	-	-	-
Total Current and Accrued Liabilities	-	-	-	-	-
LONG-TERM DEBT	-	-	-	-	-
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>CAPITAL ACCOUNT</u>					
Common Stock	6,080,000	9,285,000	23,240,000	25,945,000	28,650,000
Preferred	-	-	-	-	-
Paid in Capital	-	-	-	-	-
Retained Earnings	33,820	310,910	399,670	722,800	1,264,300
Total Capital	<u>\$ 6,113,820</u>	<u>\$ 9,595,910</u>	<u>\$ 23,639,670</u>	<u>\$ 28,667,800</u>	<u>\$ 29,914,300</u>
TOTAL LIABILITIES AND CAPITAL	<u>\$ 6,113,820</u>	<u>\$ 9,595,910</u>	<u>\$ 23,639,670</u>	<u>\$ 28,667,800</u>	<u>\$ 29,914,300</u>

**STATE OF ARIZONA**  
**AQUIFER PROTECTION PERMIT NO. P-103890**  
**PLACE ID 6976, LTF 33021**  
**SIGNIFICANT AMENDMENT**

**1.0 AUTHORIZATION**

In compliance with the provisions of Arizona Revised Statutes (A.R.S.) Title 49, Chapter 2, Articles 1, 2 and 3, Arizona Administrative Code (A.A.C.) Title 18, Chapter 9, Articles 1 and 2, A.A.C. Title 18, Chapter 11, Article 4 and amendments thereto, and the conditions set forth in this permit, Picacho Sewer Company is hereby authorized to operate the Picacho Water Reclamation Plant located in Casa Grande, Pinal County, Arizona, over groundwater of the Pinal Active Management Area, in Sections 4 and 9, Township 7 South, Range 7 East of the Gila and Salt River Base Line and Meridian.

This permit becomes effective on the date of the Water Quality Division Director's signature and shall be valid for the life of the facility (operational, closure, and post-closure periods), unless suspended or revoked pursuant to A.A.C. R18-9-A213. The permittee shall construct, operate, and maintain the permitted facilities:

1. following all the conditions of this permit including the design and operational information documented or referenced below, and
2. such that Aquifer Water Quality Standards (AWQS) are not violated at the applicable point(s) of compliance (POC) set forth below or if an AWQS for a pollutant has been exceeded in an aquifer at the time of permit issuance, that no additional degradation of the aquifer relative to that pollutant and as determined at the applicable POC occurs as a result of the discharge from the facility.

**1.1 PERMITTEE INFORMATION**

**Facility Name:** Picacho Water Reclamation Plant

**Permittee:** Picacho Sewer Company  
**Mailing Address:** 9532 East Riggs Road  
Sun Lakes, Arizona 85248

**Facility Street Address:** Cornman Road (approx. 1500 feet east  
of the Toltec Buttes Road and Cornman  
Road intersection)  
Casa Grande, Arizona

**Facility Contact** Dave Vorhees, Utilities Superintendant

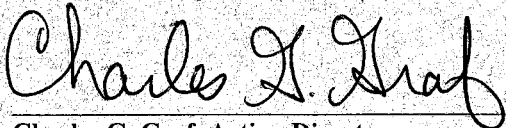
**Emergency Telephone Number:** (480) 895-5009

**Latitude:** 32° 50' 06" North

**Longitude:** 111° 37' 53" West

**Legal Description:** Township 7 North, Range 7 East, Section 4, NW ¼, SW ¼, SW ¼ and Section 9,  
NW ¼, NW ¼, NE ¼

**1.2 AUTHORIZING SIGNATURE**



**Charles G. Graf, Acting Director**

Water Quality Division

Arizona Department of Environmental Quality

Signed this 4th day of May, 2005

**THIS AMENDMENT SUPERCEDES ALL PREVIOUS AQUIFER PROTECTION  
PERMITS ISSUED FOR THIS FACILITY**

**2.0 SPECIFIC CONDITIONS [A.R.S. §§ 49-203(4), 49-241(A)]****2.1 Facility / Site Description [A.R.S. § 49-243(K)(8)]**

The permittee is authorized to operate the Picacho Water Reclamation Plant (WRP) with a maximum of 250,000 gallons per day (gpd) monthly average flow collected from the Robson Ranch development. The WRP system at this facility shall consist of an influent pump station, a static screen for removing large material in the raw wastewater, sequential batch reactors where nitrification/denitrification occurs, one automatic backwash filter, ultraviolet disinfection units, an effluent pump station, and a sludge storage tank with aeration capacity to serve as an aerobic digester. The digested sludge is removed from the tank and hauled to Saddlebrooke Utility Company Water Reclamation Plant for mechanical dewatering and ultimate disposal at a state approved sanitary landfill.

Periods of low flow are expected from the initial development. During the periods of low flow, the permittee shall vault and haul the sewage in accordance with A.A.C. R18-9-E314 (General Permit conditions for sewage vaults for flows less than 3,000 gpd) if the very low initial flows cannot be treated on site to meet the Best Available Demonstrated Control Technology performance standards prescribed in this permit.

The WRP is designed to meet B+ Reclaimed Water Quality Standards (A.A.C. R18-11, Article 3). Part of the Class B+ reclaimed water shall be beneficially used under a valid reclaimed water permit (A.A.C. R18-9, Article 7). The remaining effluent shall be discharged into six recharge basins for disposal by percolation. Pursuant to the Underground Storage Facility permit issued by the Arizona Department of Water Resources, two recharge basins shall be initially constructed, then four additional basins will be added as needed for recharge.

All industrial hookups and other non-residential hookups to the treatment system shall be authorized according to the applicable federal, state or local regulations.

The site includes the following permitted discharging facilities (see site map attached to Fact Sheet):

Facility	Latitude	Longitude
Water Reclamation Plant	32° 50' 06" N	111° 37' 53" W
Recharge Basin No. 1	32° 50' 07" N	111° 38' 11" W
Recharge Basin No. 2	32° 50' 07" N	111° 38' 09" W
Recharge Basin No. 3	32° 50' 07" N	111° 38' 06" W
Recharge Basin No. 4	32° 49' 54" N	111° 38' 11" W
Recharge Basin No. 5	32° 49' 54" N	111° 38' 09" W
Recharge Basin No. 6	32° 49' 54" N	111° 38' 06" W

**2.2 Best Available Demonstrated Control Technology [A.R.S. § 49-243(B) and A.A.C. R18-9-A202(A)(5)]**

The Wastewater Treatment Plant is designed to meet the treatment performance criteria for new facilities as specified in Arizona Administrative Code R18-9-B204. BADCT for this facility also includes water conservation through reuse by irrigation and recharge by percolation.

The facility meets the requirements for pretreatment by conducting monitoring as per A.A.C. R18-9-B204(6)(b)(iii).

**2.2.1 Engineering Design**

The WRP was designed as per the design report prepared by Carollo Engineers dated January 1999 and as per the modified design report prepared by Carollo Engineers dated May 2004. All the treatment units shall be constructed from steel or reinforced concrete.

**2.2.2 Site-specific Characteristics**

The depth to groundwater is approximately 190 feet below ground surface and the direction of groundwater flow is to the southwest. Site specific characteristics were not used to demonstrate BADCT.

**2.2.3 Pre-Operational Requirements**

Within 60 days of the signature date of this permit, the operator shall inspect the facility to verify that all components function as designed. The permittee shall provide written certification within 90 days following final completion of the construction to ADEQ's Water Quality Compliance Section, that inspection of all components was performed. The results of the inspection should also be indicated.

**2.2.4 Operational Requirements**

1. The permittee shall maintain a copy of the new O & M manual at the WRP site at all times and shall be available upon request during inspections by ADEQ personnel.
2. The pollution control structures shall be inspected for the items listed in Section 4.0, Table III – Facility Inspection (Operational Monitoring).
3. If any damage of the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and material(s) used shall be documented on the Self-Monitoring Report Form submitted quarterly to the ADEQ Water Quality Compliance Section.

**2.2.5 Wastewater Treatment Plant Classification**

[A.A.C. R18-9-703(C)(2)(a), A.A.C. R18-11-303 through 307]

The WWTP will produce reclaimed water meeting Class B+ Reclaimed Water Quality Standards (A.A.C. R18-11, Article 3) and can be used for any allowable use in that class under a valid reclaimed water permit (A.A.C. R18-9, Article 7).

**2.3 Discharge Limitations [A.R.S. §§ 49-201(14), 49-243 and A.A.C. R18-9-A205(B)]**

1. The permittee is authorized to operate the WRP with a maximum average monthly flow of 250,000 gpd.
2. The permittee shall notify all users that the materials authorized to be disposed of through the WRP are typical household sewage and shall not include motor oil, gasoline, paints, varnishes, hazardous wastes, solvents, pesticides, fertilizers or other materials not generally associated with toilet flushing, food preparation, laundry facilities and personal hygiene.
3. Specific discharge limitations are listed in Section 4.0, Table I and Table II.

**2.4 Points of Compliance (POC) [A.R.S. § 49-244]**

The Points of Compliance are established by the following locations:

POC #	POC Description and Location	Latitude	Longitude
POC #1	Theoretical hazardous and non-hazardous POC located on the southwest corner of the WRP site	32° 50' 06"	111° 37' 53"
POC #2	Theoretical hazardous and non-hazardous POC located on the southwest corner of the Recharge Basins	32° 50' 06"	111° 37' 53"

Groundwater monitoring is not required at the POC locations, except as a contingency action. If contingency groundwater monitoring is required in the future, compliance with Aquifer Water Quality Standards shall be determined at one or both of the designated POC locations.

The Director may designate additional points of compliance if information on groundwater gradients or groundwater usage indicates the need.

**2.5 Monitoring Requirements [A.R.S. § 49-243(K)(1), A.A.C. R18-9-A206(A)]**

All monitoring required in this permit shall continue for the duration of the permit, regardless of the status of the facility. All sampling, preservation and holding times shall be in accordance with currently accepted standards of professional practice. Trip blanks, equipment blanks and duplicate samples shall also be obtained, and chain of custody procedures shall be followed, in accordance with currently accepted standards of professional practice. The permittee shall consult the most recent version of the ADEQ Quality Assurance Project Plan (QAPP) and EPA 40 CFR PART 136 for guidance in this regard. Copies of laboratory analyses and chain of custody forms shall be maintained at the permitted facility. Upon request these documents shall be made immediately available for review by ADEQ personnel.

**2.5.1 Discharge Monitoring**

The permittee shall monitor the wastewater according to Section 4.0, Table I (Discharge Monitoring) and Table II (Reclaimed Water Monitoring – Class B+). A representative sample of the wastewater shall be collected from the Effluent Pump Station.

**2.5.2 Facility / Operational Monitoring**

Operational monitoring inspections shall be conducted according to Section 4.0, Table III (Facility Inspections).

- a. If any damage of the pollution control structures is identified during inspection, proper repair procedures shall be performed. All repair procedures and materials used shall be documented on the Self-Monitoring Report Form (SMRF) submitted quarterly to the ADEQ Water Quality Compliance. If none of the conditions occur, the report shall say "no event" for a particular reporting period. If the facility is not in operation, the permittee shall indicate that fact in the SMRF.
- b. The permittee shall submit data required in Section 4.0, Table III regardless of the operating status of the facility unless otherwise approved by the Department or allowed in this permit.

**2.5.3 Groundwater Monitoring and Sampling Protocols**

Routine groundwater monitoring is not required under the terms of this permit.



**2.5.4 Surface Water Monitoring and Sampling Protocols**

Routine surface water monitoring is not required under the terms of this permit.

**2.5.5 Analytical Methodology**

All samples collected for compliance monitoring shall be analyzed using Arizona state approved methods. If no state approved method exists, then any appropriate EPA approved method shall be used. Regardless of the method used, the detection limits must be sufficient to determine compliance with the regulatory limits of the parameters specified in this permit. Analyses shall be performed by a laboratory licensed by the Arizona Department of Health Services, Office of Laboratory Licensure and Certification. For results to be considered valid, all analytical work shall meet quality control standards specified in the approved methods. A list of Arizona state certified laboratories can be obtained at the address below:

Arizona Department of Health Services  
Office of Laboratory Licensure and Certification  
1740 W. Adams Street, Room 203 North  
Phoenix, AZ 85007  
Phone: (602) 364-0720

**2.5.6 Installation and Maintenance of Monitoring Equipment**

Monitoring equipment required by this permit shall be installed and maintained so that representative wastewater, groundwater, soil, water, or sludge samples can be collected. Should new groundwater wells be determined to be necessary, the construction details shall be submitted to the ADEQ Water Permits Section for approval.

**2.6 Contingency Plan Requirements**

[A.R.S. § 49-243(K)(3), (K)(7) and A.A.C. R18-9-A204 and R18-9-A205]

**2.6.1 General Contingency Plan Requirements**

At least one copy of the approved contingency and emergency response plan(s) submitted in the application shall be maintained at the location where day-to-day decisions regarding the operation of the facility are made. The permittee shall be aware of and follow the contingency and emergency plans.

Any alert level (AL) that is exceeded or any violation of an aquifer quality limit (AQL), discharge limit (DL), or other permit condition shall be reported to ADEQ following the reporting requirements in Section 2.7.3.

Some contingency actions involve verification sampling. Verification sampling shall consist of the first follow up sample collected from a location that previously indicated a violation or the exceedance of an AL. Collection and analysis of the verification sample shall use the same protocols and test methods to analyze for the pollutant or pollutants that exceeded an AL or violated an AQL. The permittee is subject to enforcement action for the failure to comply with any contingency actions in this permit. Where verification sampling is specified in this permit, it is the option of the permittee to perform such sampling. If verification sampling is not conducted within the timeframe allotted, ADEQ and the permittee shall presume the initial sampling result to be confirmed as if verification sampling has been conducted. The permittee is responsible for compliance with contingency plans relating to the exceedance of an AL or violation of a DL, AQL or any other permit condition.

**2.6.2 Exceeding of Alert Levels/Performance Levels****2.6.2.1 Exceeding of Performance Levels (PL) Set for Operational Conditions**

1. If the operational PL set in Section 4.0, Table III has been exceeded the permittee shall
  - a. Notify the ADEQ Water Quality Compliance Section within five (5) days of becoming aware of a violation of any permit condition.
  - b. Submit a written report within thirty (30) days after becoming aware of a violation of a permit condition. The report shall document all of the following:
    1. A description of the violation and its cause;
    2. the period of violation, including exact date(s) and time(s), if known, and the anticipated time period during which the violation is expected to continue;
    3. any action taken or planned to mitigate the effects or the violation, or the spill, or to eliminate or prevent recurrence of the violation;
    4. any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an Aquifer Water Quality Standard; and
    5. any malfunction or failure of pollution control devices or other equipment or process.
2. The facility is no longer on alert status once the operational indicator no longer indicates that PL is being exceeded. The permittee shall, however, complete all tasks necessary to return the facility to its pre-alert operating condition.

**2.6.2.2 Exceeding of Alert Levels Set for Discharge Monitoring**

1. If an AL set in Section 4.0, Table I has been exceeded, the permittee shall immediately investigate to determine the cause of the AL being exceeded. The investigation shall include the following:
  - a. Inspection, testing, and assessment of the current condition of all treatment or pollutant discharge control systems that may have contributed to the AL being exceeded.
  - b. Review of recent process logs, reports, and other operational control information to identify any unusual occurrences;
2. The permittee shall initiate actions identified in the approved contingency plan referenced in Part 5.0 and specific contingency measures identified in Part 2.6 to resolve any problems identified by the investigation which may have led to an AL being exceeded. To implement any other corrective action the permittee shall obtain prior approval from ADEQ according to Section 2.6.6.
3. Within thirty (30) days after confirmation of an AL being exceeded, the permittee shall submit the laboratory results to the ADEQ Water Quality Compliance Section, Data Unit, along with a summary of the findings of the

investigation, the cause of the AL being exceeded, and actions taken to resolve the problem.

4. Upon review of the submitted report, the Department may require additional monitoring, increased frequency of monitoring, amendments to permit conditions or other actions.

#### **2.6.2.3 Exceeding of Alert Levels in Groundwater Monitoring**

##### **2.6.2.3.1 Alert Levels for Indicator Parameters**

Not required at time of permit issuance.

##### **2.6.2.3.2 Alert Levels for Pollutants with Numeric Aquifer Water Quality Standards**

Not required at time of permit issuance.

##### **2.6.2.3.3 Alert Levels to Protect Downgradient Users from Pollutants Without Numeric Aquifer Water Quality Standards**

Not required at time of issuance.

#### **2.6.3 Discharge Limitations (DL) Violations**

1. If a DL set in Section 4.0, Table I or II has been exceeded, the permittee shall immediately investigate to determine the cause of the violation. The investigation shall include the following:
  - a. Inspection, testing, and assessment of the current condition of all treatment or pollutant discharge control systems that may have contributed to the violation;
  - b. Review of recent process logs, reports, and other operational control information to identify any unusual occurrences;
2. The permittee also shall submit a report according to Section 2.7.3, which includes a summary of the findings of the investigation, the cause of the violation, and actions taken to resolve the problem. The permittee shall consider and ADEQ may require corrective action that may include control of the source of discharge, cleanup of affected soil, surface water or groundwater, and mitigation of the impact of pollutants on existing uses of the aquifer. Corrective actions shall either be specifically identified in this permit, included in an ADEQ approved contingency plan, or separately approved according to Section 2.6.6.
3. Upon review of the submitted report, the Department may require additional monitoring, increased frequency of monitoring, amendments to permit conditions or other actions.

#### **2.6.4 Aquifer Quality Limit (AQL) Violation**

Not Applicable.

#### **2.6.5 Emergency Response and Contingency Requirements for Spills and Unauthorized Discharges**

##### **2.6.5.1 Duty to Respond**

The permittee shall act immediately to correct any condition that could pose an endangerment to public health or the environment.

**2.6.5.2 Spills of Hazardous Substances or Toxic Pollutants**

In the event of any accidental spill or unauthorized discharge (A.R.S. § 49-201(12)) of suspected hazardous substances (A.R.S. § 49-201(18)) or toxic pollutants (A.R.S. § 49-243(I)) on the facility site, the permittee shall promptly isolate the area and attempt to identify the spilled material. The permittee shall record information, including name, nature of exposure and follow-up medical treatment, if necessary, on persons who may have been exposed during the incident. Spilled materials, absorbents, and contaminated media generated during emergency response shall be removed and disposed of according to applicable federal, state and local regulations. The emergency response coordinator shall notify ADEQ's Water Quality Field Service Unit at 602-771-4841 within 24 hours upon discovering a release of a hazardous material which: a) has the potential to cause an AWQS or AQL to be exceeded; or b) could pose an endangerment to public health or the environment.

**2.6.5.3 Discharge of Non-hazardous Materials**

In the event of any unauthorized discharge of non-hazardous materials from the facility, the permittee shall promptly attempt to cease the discharge and isolate the discharged material. Discharged material shall be removed and the site cleaned up as soon as possible. The permittee shall notify ADEQ's Water Quality Field Service Unit at 602-771-4841 within 24-hours upon discovering the discharge of non-hazardous material which: a) has the potential to cause an AQL to be exceeded; or b) could pose an endangerment to public health or the environment.

**2.6.5.4 Reporting Requirements**

The permittee shall submit a written report for any unauthorized discharges described in Sections 2.6.5.2 and 2.6.5.3 to ADEQ Water Quality Field Services Unit, Mail Code: 5415B-1, 1110 West Washington Street, Phoenix, Arizona, 85007 within thirty days of the discharge or as required by subsequent ADEQ action. The report shall summarize the event, including any human exposure, and facility response activities and include all information specified in Section 2.7.3. If a notice is issued by ADEQ subsequent to the discharge notification, any additional information requested in the notice shall also be submitted within the time frame specified in that notice. Upon review of the submitted report, ADEQ may require additional monitoring or corrective actions.

**2.6.6 Corrective Actions**

Specific contingency measures identified in Part 2.6 have already been approved by ADEQ and do not require written approval to implement.

With the exception of emergency response actions taken under Section 2.6.5, the permittee shall obtain written approval from the Water Permits Section prior to implementing a corrective action to accomplish any of the following goals in response to exceeding an AL or violation of an AQL, DL, or other permit condition:

1. Control of the source of an unauthorized discharge;
2. Soil cleanup;
3. Cleanup of affected surface waters;
4. Cleanup of affected parts of the aquifer;
5. Mitigation to limit the impact of pollutants on existing uses of the aquifer.

Within 30 days of completion of any corrective action, the operator shall submit to the ADEQ Water Quality Compliance Section, a written report describing the causes, impacts, and actions taken to resolve the problem.

## **2.7 Reporting and Recordkeeping Requirements**

[A.R.S. § 49-243(K)(2) and A.A.C. R18-9-A206(B) and R18-9-A207]

### **2.7.1 Self Monitoring Report Forms (SMRF)**

1. The permittee shall complete the SMRFs provided by ADEQ, and submit them to the Water Quality Compliance Section, Data Unit.
2. The permittee shall complete the SMRF to the extent that the information reported may be entered on the form. If no information is required during a quarter, the permittee shall enter "not required" on the SMRF and submit the report to ADEQ. The permittee shall use the format devised by ADEQ.
3. The Tables contained in Sections 4.0 list the parameters to be monitored and the frequency for reporting results for groundwater compliance monitoring. Monitoring methods shall be recorded on the SMRFs.
4. In addition to the SMRF, the information contained in Section 6.9.3 shall be included for exceeding an AL or violation of an AQL, DL, or any other permit condition being reported in the current reporting period.

### **2.7.2 Operation Inspection / Log Book Recordkeeping**

A signed copy of this permit shall be maintained at all times at the location where day-to-day decisions regarding the operation of the facility are made. A log book of the inspections and measurements required by this permit shall be maintained at the location where day-to-day decisions are made regarding the operation of the facility. The log book shall be retained for ten years from the date of each inspection, and upon request, the permit and the log book shall be made immediately available for review by ADEQ personnel. The information in the log book shall include, but not be limited to, the following information as applicable:

1. name of inspector;
2. date and shift inspection was conducted;
3. condition of applicable facility components;
4. any damage or malfunction, and the date and time any repairs were performed;
5. documentation of sampling data and time;
6. other information required by this permit to be entered in the logbook; and
7. Monitoring records for each measurement shall comply with R18-9-A206(B)(2).

### **2.7.3 Permit Violation and Alert Level Status Reporting**

1. The permittee shall notify the Water Quality Compliance Section, Enforcement Unit in writing within five days (except as provided in Section 2.6.5) of becoming aware of a violation of any permit condition, Discharge Limitation or of an Alert Level being exceeded.

2. The permittee shall submit a written report to the Water Quality Compliance Section, Enforcement Unit within 30 days of becoming aware of the violation of any permit condition or discharge limitation. The report shall document all of the following:
  - a. Identification and description of the permit condition for which there has been a violation and a description of its cause.
  - b. The period of violation including exact date(s) and time(s), if known, and the anticipated time period during which the violation is expected to continue.
  - c. Any corrective action taken or planned to mitigate the effects of the violation, or to eliminate or prevent a recurrence of the violation.
  - d. Any monitoring activity or other information which indicates that any pollutants would be reasonably expected to cause a violation of an Aquifer Water Quality Standard.
  - e. Proposed changes to the monitoring which include changes in constituents or increased frequency of monitoring.
  - f. Description of any malfunction or failure of pollution control devices or other equipment or processes.

#### **2.7.4 Operational, Other or Miscellaneous Reporting**

The permittee shall complete the Self-Monitoring Report Form provided by the Department to reflect facility inspection requirements designated in Section 4.0, Table III (Facility Inspections) and submit to the ADEQ, Water Quality Compliance quarterly along with other reports required by this permit. Facility inspection reports shall be submitted no less frequently than quarterly, regardless of operational status.

The permittee shall submit the results of water quality testing for total nitrogen, fecal coliform, turbidity and flow volumes to any of the following in accordance with A.A.C. R18-9-703(C)(2)(c):

1. Any reclaimed water agent who has contracted for delivery of reclaimed water from the permittee; and
2. Any end user who has not waived interest in receiving this information.

#### **2.7.5 Reporting Location**

All SMRFs shall be submitted to:  
Arizona Department of Environmental Quality  
Water Quality Compliance Section, Data Unit  
Mail Code: 5415B-1  
1110 W. Washington Street  
Phoenix, AZ 85007  
Phone (602) 771-4681

All documents required by this permit to be submitted to the Water Quality Compliance Section shall be directed to:

Water Quality Compliance Section, Enforcement Unit  
Mail Code: 5415B-1  
1110 W. Washington Street  
Phoenix, AZ 85007  
Phone (602) 771-4614

All documents required by this permit to be submitted to the Water Permits Section shall be directed to:

Arizona Department of Environmental Quality  
Water Permits Section  
Mail Code: 5415B-3  
1110 W. Washington Street  
Phoenix, AZ 85007  
Phone (602) 771-4428

#### 2.7.6 Reporting Deadline

The following Table lists the quarterly report due dates:

Monitoring conducted during quarter:	Quarterly Report due by:
January-March	April 30
April-June	July 30
July-September	October 30
October-December	January 30

#### 2.7.7 Changes to Facility Information in Section 1.0

The Water Permits Section and Water Quality Compliance Section shall be notified within 10 days of any change of facility information including Facility Name, Permittee Name, Mailing or Street Address, Facility Contact Person or Emergency Telephone Number.

#### 2.8 Temporary Cessation [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A209(A)]

The permittee shall give written notice to the Water Quality Compliance Section upon ceasing operation of the facility for a period of 60 days or greater. The permittee shall take the following measures upon temporary cessation:

1. If applicable, direct the wastewater flows from the facility to another State approved wastewater treatment facility.
2. Correct the problem that caused the temporary cessation of the facility.
3. Notify ADEQ with a monthly facility Status Report describing the activities conducted on the WWTP to correct the problem

At the time of notification the permittee shall submit for ADEQ approval a plan for maintenance of discharge control systems and for monitoring during the period of temporary cessation. Immediately following ADEQ's approval, the permittee shall implement the approved plan. If necessary, ADEQ shall amend permit conditions to incorporate conditions to address temporary cessation. If the facility will cease operation, the permittee shall submit closure notification, as set forth in Section 2.9 below.

#### 2.9 Closure [A.R.S. §§ 49-243(K)(6), 49-252 and A.A.C. R18-9-A209(B)]

The permittee shall give written notice of closure to the Water Quality Compliance Section before closing, or before ceasing use of a facility addressed under this permit if the cessation is projected to last more than three years.

**2.9.1 Closure Plan**

Within 90 days following notification of closure, the permittee shall submit for approval to the Water Permits Section, a detailed Closure Plan which meets the requirements of A.R.S. § 49-252 and A.A.C. 18-9-A209(B)(1)(a).

If the closure plan achieves clean closure immediately, ADEQ shall issue a letter of approval to the permittee. If the closure plan contains a schedule for bringing the facility to a clean closure Configuration at a future date, ADEQ may incorporate any part of the schedule as an amendment to this permit.

**2.9.2 Closure Completion**

Upon completion of closure activities, the permittee shall give written notice to the Water Permits Section indicating that the approved Closure Plan has been implemented fully. If clean closure has been achieved, ADEQ shall issue a letter of approval to the permittee at that time. If any of the following conditions apply, the permittee shall follow the terms of Post Closure stated in this permit:

1. Clean closure cannot be achieved at the time of closure notification or within one year thereafter under a diligent schedule of closure actions;
2. Further action is necessary to keep the facility in compliance with aquifer water quality standards at the applicable point of compliance;
3. Continued action is required to verify that the closure design has eliminated discharge to the extent intended;
4. Remedial or mitigative measures are necessary to achieve compliance with Title 49, Ch. 2;
5. Further action is necessary to meet property use restrictions.

**2.10 Post-Closure [A.R.S. §§ 49-243(K)(6), 49-252 and A.A.C. R18-9 A209(C)]**

Post-closure requirements shall be established based on a review of facility closure actions and will be subject to review and approval by the Water Permits Section.

In the event clean closure cannot be achieved pursuant to A.R.S. § 49-252, the permittee shall submit for approval to the Water Permits Section a Post-Closure Plan that addresses post-closure maintenance and monitoring actions at the facility. The Post-Closure Plan shall meet all requirements of A.R.S. §§ 49-201(29) and 49-252 and A.A.C. R18-9-A209(C). Upon approval of the Post-Closure Plan, this permit shall be amended or a new permit shall be issued to incorporate all post-closure controls and monitoring activities of the Post-Closure Plan.

**2.10.1 Post-Closure Plan**

A specific post closure plan may be required upon the review of the closure plan.

**2.10.2 Post-Closure Completion**

Not required at the time of permit issuance.

**3.0 COMPLIANCE SCHEDULE [A.R.S. § 49-243(K)(5) and A.A.C. R18-9-A208]**

Not applicable.



## 4.0 TABLES OF MONITORING REQUIREMENTS

TABLE I  
DISCHARGE MONITORING

Sampling Point Number	Sampling Point Identification	Latitude		Longitude	
1	Effluent Pump Station	32° 50' 06" N		111° 37' 53" W	
Parameter	AL <sup>1</sup>	DL <sup>2</sup>	Units	Sampling Frequency	Reporting Frequency
Flow <sub>(RECHARGE)</sub>	Not Established <sup>3</sup>	Not Established	MGD	Daily	Quarterly
Flow <sup>4</sup> <sub>(RECHARGE)</sub>	0.20	0.25	MGD	Monthly <sup>5</sup> (calculated avg)	Quarterly
Flow <sub>(REUSE)</sub>	Not Established	Not Established	MGD	Daily	Quarterly
Flow <sub>(REUSE)</sub>	0.20	0.25	MGD	Monthly (calculated avg)	Quarterly
Flow <sup>6</sup> <sub>(TOTAL)</sub>	Not Established	Not Established	MGD	Daily	Quarterly
Flow <sub>(TOTAL)</sub>	0.20	0.25	MGD	Monthly (calculated avg)	Quarterly
Pathogens:					
Fecal Coliform (Single Sample Maximum)	Not Established	23	CFU <sup>7</sup> / 100ml	Weekly	Quarterly
Fecal Coliform (Seven Sample Median)	Not Established	2.2	CFU / 100ml	Monthly (Calculated)	Quarterly
Nutrients:					
Total Nitrogen <sup>8</sup>	8.0	10.0	mg/l	Monthly	Quarterly
Nitrate - Nitrite as N	8.0	10.0	mg/l	Monthly	Quarterly
Total Kjeldahl Nitrogen (TKN)	Not Established	Not Established	mg/l	Monthly	Quarterly

<sup>1</sup> AL = Alert Level.<sup>2</sup> DL = Discharge Limit.<sup>3</sup> Not Established: Monitoring and reporting required for informational purposes only.<sup>4</sup> The monthly average flow from the WRP is monitored for compliance with maximum design capacity of the treatment plant.<sup>5</sup> Monthly average flow = the sum of daily flows taken in a calendar month divided by the number of days in that month.<sup>6</sup> Total flow = the sum of the flows going to the recharge basins plus the flows delivered to a legitimate B+ classification direct reuse site: Flow (TOTAL) = Flow (RECHARGE) + Flow (REUSE). If no flows are delivered for reuse, then enter "0" for Flow (REUSE) in the calculation on the SMRF.<sup>7</sup> CFU = Colony Forming Units / 100 ml sample. MPN = Most Probable Number / 100 ml sample. For CFU, a value of <1 shall be considered to be non-detect. For MPN, a value of <2.2 shall be considered to be non-detect.<sup>8</sup> Total Nitrogen is equal to the sum of Nitrate as N, Nitrite as N, and TKN.

Parameter	AL <sup>9</sup>	DL <sup>10</sup>	Units	Sampling Frequency	Reporting Frequency
<b>Metals (Total):</b>					
Antimony	0.0048	0.006	mg/l	Quarterly	Quarterly
Arsenic	0.04	0.05	mg/l	Quarterly	Quarterly
Barium	1.60	2.00	mg/l	Quarterly	Quarterly
Beryllium	0.0032	0.004	mg/l	Quarterly	Quarterly
Cadmium	0.004	0.005	mg/l	Quarterly	Quarterly
Chromium	0.08	0.1	mg/l	Quarterly	Quarterly
Cyanide (As free cyanide)	0.16	0.2	mg/l	Quarterly	Quarterly
Fluoride	3.2	4.0	mg/l	Quarterly	Quarterly
Lead	0.04	0.05	mg/l	Quarterly	Quarterly
Mercury	0.0016	0.002	mg/l	Quarterly	Quarterly
Nickel	0.08	0.1	mg/l	Quarterly	Quarterly
Selenium	0.04	0.05	mg/l	Quarterly	Quarterly
Thallium	0.0016	0.002	mg/l	Quarterly	Quarterly
<b>Volatile Organic Compounds (VOCs):</b>					
Benzene	0.004	0.005	mg/l	Annually	Annually
Carbon tetrachloride	0.004	0.005	mg/l	Annually	Annually
o-Dichlorobenzene	0.48	0.6	mg/l	Annually	Annually
para-Dichlorobenzene	0.06	0.075	mg/l	Annually	Annually
1,2-Dichloroethane	0.004	0.005	mg/l	Annually	Annually
1,1-Dichloroethylene	0.0056	0.007	mg/l	Annually	Annually
cis-1,2-Dichloroethylene	0.056	0.07	mg/l	Annually	Annually
trans-1,2-Dichloroethylene	0.08	0.1	mg/l	Annually	Annually
Dichloromethane	0.004	0.005	mg/l	Annually	Annually
1,2-Dichloropropane	0.004	0.005	mg/l	Annually	Annually
Ethylbenzene	0.56	0.7	mg/l	Annually	Annually
Monochlorobenzene	0.08	0.1	mg/l	Annually	Annually
Styrene	0.08	0.1	mg/l	Annually	Annually
Tetrachloroethylene	0.004	0.005	mg/l	Annually	Annually
Toluene	0.8	1.0	mg/l	Annually	Annually
Trihalomethanes (total) <sup>11</sup>	0.08	0.1	mg/l	Annually	Annually
1,1,1-Trichloroethane	0.16	0.2	mg/l	Annually	Annually
1,2,4 - Trichlorobenzene	0.056	0.07	mg/l	Annually	Annually

<sup>9</sup> AL = Alert Level.<sup>10</sup> DL = Discharge Limit.<sup>11</sup> Total trihalomethanes comprises of bromoform, bromodichloromethane, chloroform, and dibromochloromethane.

Parameter	AL <sup>12</sup>	DL <sup>13</sup>	Units	Sampling Frequency	Reporting Frequency
1,1,2 - Trichloroethane	0.004	0.005	mg/l	Annually	Annually
Trichloroethylene	0.004	0.005	mg/l	Annually	Annually
Vinyl Chloride	0.0016	0.002	mg/l	Annually	Annually
Xylenes (Total)	8.0	10.0	mg/l	Annually	Annually

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<sup>12</sup> AL = Alert Level.

<sup>13</sup> DL = Discharge Limit.

#### 4.0 TABLES OF MONITORING REQUIREMENTS

**TABLE II**  
**RECLAIMED WATER MONITORING – CLASS B+<sup>14</sup>**

Sampling Point Number	Sampling Point Identification	Latitude	Longitude
1	Effluent Pump Station	32° 50' 06" N	111° 37' 53" W

Parameter	DL	Units	Sampling Frequency	Reporting Frequency
Fecal Coliform: Single-sample maximum	800	CFU or MPN <sup>15</sup>	Daily <sup>16</sup>	Quarterly
Fecal Coliform: Four (4) of last seven (7) samples	200 <sup>17</sup>	CFU or MPN	Daily	Quarterly

<sup>14</sup> Reclaimed water monitoring is in addition to routine discharge monitoring.

<sup>15</sup> CFU = Colony Forming Units per 100 ml: MPN = Most Probable Number per 100 ml. For CFU, a value of <1 shall be considered to be non-detect. For MPN, a value of <2.2 shall be considered to be non-detect.

<sup>16</sup> For fecal coliform, "daily" sampling means every day in which a sample can practicably be obtained and delivered in sufficient time for proper analysis, provided that no less than four (4) samples in each calendar week are obtained and analyzed.

<sup>17</sup> If at least four (4) of the last seven (7) samples are equal to or less than 200 CFU or MPN per 100 ml, report "yes" in the appropriate space on the SMRF (indicating that the standard has been met). If at least four (4) of the last seven (7) samples are greater than 200 CFU or MPN per 100 ml, report "no" in the appropriate space on the SMRF (indicating that the standard has **not** been met).

#### 4.0 TABLES OF MONITORING REQUIREMENTS

**TABLE III  
FACILITY INSPECTIONS  
(Operational Monitoring)**

PARAMETER	PERFORMANCE LEVELS	INSPECTION FREQUENCY	REPORTING FREQUENCY <sup>18</sup>
All Treatment Plant Components	Good working condition	Daily	Quarterly
Pump Integrity	Good working condition	Weekly	Quarterly
Recharge Basins	No day-lighting or runoff (outside basins)	Weekly	Quarterly

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<sup>18</sup> If any damage to the structures cited in this table is identified during inspection, proper repair procedures shall be performed. All damages observed and repair procedures used shall be documented on the SMRF and submitted quarterly to ADEQ, Water Quality Data Unit or documented in their own format and submitted at the normal SMRF reporting time. The need to report is only triggered when the Performance Level has been violated and/or repairs are made or needed. All inspections made by the plant staff shall be noted in a log book, kept on-site, and made available to ADEQ during inspection or upon request.

## 5.0 REFERENCES AND PERTINENT INFORMATION

The terms and conditions set forth in this permit have been developed based upon the information contained in the following, which are on file with the Department:

1. APP applications dated: April 19, 1999 (APP)  
March 16, 2001 (Significant Amendment)  
September 5, 2001 (Significant Amendment)  
June 2, 2004 (Significant Amendment)
2. Contingency Plan dated: January 1999 (APP)  
April 2002 (Significant Amendment)
3. Public Notices dated: April 5, 2000 (APP)  
April 20, 2001 (Significant Amendment)  
May 21, 2002 (Significant Amendment)  
February 28, 2005 (Significant Amendment)
4. APP issuance dates: May 22, 2000 (APP)  
August 6, 2001 (Significant Amendment)  
September 5, 2002 (Significant Amendment)  
April XX, 2005 (Significant Amendment)

**6.0 GENERAL CONDITIONS AND RESPONSIBILITIES****6.1 Annual Registration Fees**

The permittee shall pay an Annual Registration Fee to ADEQ. The Annual Registration Fee is based upon the amount of daily influent or discharge of pollutants in gallons per day as established by A.R.S. § 49-242(D). This fee is payable to ADEQ each year.

**6.2 Duty to Comply [A.R.S. §§ 49-221 through 263]**

The permittee shall comply with all conditions of this permit and all applicable provisions of Title 49, Chapter 2, Articles 1, 2 and 3 of the Arizona Revised Statutes, Title 18, Chapter 9, Articles 1 through 4, and Title 18, Chapter 11, Article 4 of the Arizona Administrative Code. Any permit non-compliance constitutes a violation and is grounds for an enforcement action pursuant to Title 49, Chapter 2, Article 4 or permit modification, suspension, or revocation.

**6.3 Duty to Provide Information [A.R.S. §§ 49-243(K)(2) and 49-243(K)(8)]**

The permittee shall furnish to the Director, or an authorized representative, within a time specified, any information which the Director may request to determine whether cause exists for amending or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

**6.4 Severability [A.R.S. § 49-243(K)(8)]**

The provisions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

**6.5 Proper Operation and Maintenance [A.R.S. § 49-243(K)(8)]**

The permittee shall, at all times, properly operate and maintain all facilities, treatment processes, and discharge control systems which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit.

**6.6 Compliance with Aquifer Water Quality Standards [A.R.S. §§ 49-243(B)(2) and 49-243(B)(3)]**

The permittee shall not cause or contribute to a violation of an aquifer water quality standard at the applicable point of compliance for the facility. Where, at the time of issuance of the permit, an aquifer already exceeds an aquifer water quality standard for a pollutant, the permittee shall not discharge that pollutant so as to further degrade, at the applicable point of compliance for the facility, the water quality of any aquifer for that pollutant.

**6.7 Technical and Financial Capability [A.R.S. §§ 49-243(K)(8) and 49-243(N) and A.A.C. R18-9-A202(B) and R18-9-A203(E) and (F)]**

The permittee shall have and maintain the technical and financial capability necessary to fully carry out the terms and conditions of this permit. Any bond, insurance policy, trust fund, or other financial assurance mechanism provided as a demonstration of financial capability in the permit application, pursuant to A.A.C. R18-9-A203(D), shall be in effect prior to any discharge authorized by this permit and shall remain in effect for the duration of the permit.

**6.8 Reporting of Bankruptcy or Environmental Enforcement [A.A.C. R18-9-A207(C)]**

The permittee shall notify the Director within five days after the occurrence of any one of the following:

1. The filing of bankruptcy by the permittee.
2. The entry of any order or judgment not issued by the Director against the permittee for the enforcement of any environmental protection statute or rule.

**6.9 Monitoring and Records [A.R.S. § 49-243(K)(8) and A.A.C. R18-9-A206]**

The permittee shall conduct any monitoring activity necessary to assure compliance with this permit, with the applicable water quality standards established pursuant to A.R.S. §§ 49-221 and 49-223 and §§ 49-241 through 49-252.

1. Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.
2. The permittee shall retain records of all monitoring information, including copies of all reports required by this permit and records of all data used to complete the application for this permit, for a period of 10 years from the date of the sample, measurement report, or application. This period may be extended by request of the Director at any time.
3. At a minimum, records of monitoring information shall include:
  - a. The date, time, and exact place of sampling or measurements
  - b. The individual(s) who performed the sampling or measurements
  - c. The date(s) analyses were performed
  - d. The individual(s) who performed the analyses
  - e. The analytical techniques or methods used
  - f. The results of such analyses
  - g. The chain of custody records, and
  - h. Any field notes relating to the information described in (a) - (g) above.

**6.10 Other information [A.R.S. § 49-243(K)(8)]**

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, the permittee shall promptly submit the correct facts or information.

**6.11 Inspection and Entry [A.R.S. §§ 49-203(B) and 49-243(K)(8)]**

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to enter and inspect the facility as reasonably necessary to ensure compliance with Title 49, Chapter 2, Article 3 of the Arizona Revised Statutes, and Title 18, Chapter 9, Articles 1 through 4 of the Arizona Administrative Code and the terms and conditions of this permit. In so doing, the Department representative may:

1. Enter upon the operator's premises where a regulated facility or activity is located or conducted, or locations where records must be kept under the conditions of this permit.
2. Have access to and copy, at reasonable times, any records required to be kept under the conditions of this permit.
3. Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit.



4. Sample or monitor at reasonable times, for the purposes of assuring permit compliance, any substances or parameters at any location.
5. Take photographs or video tape.
6. Take other actions reasonably necessary to determine compliance with Aquifer Protection Permit statutes or rules or the terms and conditions of this permit.

**6.12 Duty to Modify [A.R.S. § 49-243(K)(8)]**

The permittee shall apply for and receive a written amendment before deviating from any of the designs or operational practices authorized by this permit.

**6.13 Permit Action: Amendment, Transfer, Suspension & Revocation  
[A.R.S. §§ 49-201, 49-241 through 251, A.A.C. R18-9-A211, R18-9-A212 and R18-9-A213]**

This permit may be amended, transferred, renewed, or revoked for cause, under the rules of the Department. The filing of a request by the permittee for a permit action does not stay or suspend the effectiveness of any existing permit condition. The Director shall issue a public notice of all proposed permit actions pursuant to A.A.C. R18-9-A211, R18-9-A212 and R18-9-A213.

**6.13.1 Permit Reopen**

The Director may reopen this permit and amend it pursuant to A.A.C. R18-9-A211.

**6.13.2 Permit Transfer**

This permit may not be transferred to any other person except after notice to and approval of the transfer by the Department. No transfer will be approved until the applicant complies with all transfer requirements as specified in A.A.C. R18-9-A212(B) and (C).

The permittee shall notify the Water Permits Section in writing within 15 days after any change in the owner or operator of the facility. The notification shall state the permit number, the name of the facility, the date of property transfer, and the name, address, and phone number where the new owner or operator can be reached. The operator shall advise the new owner or operators of the terms of this permit and the need for permit transfer in accordance with the rules.